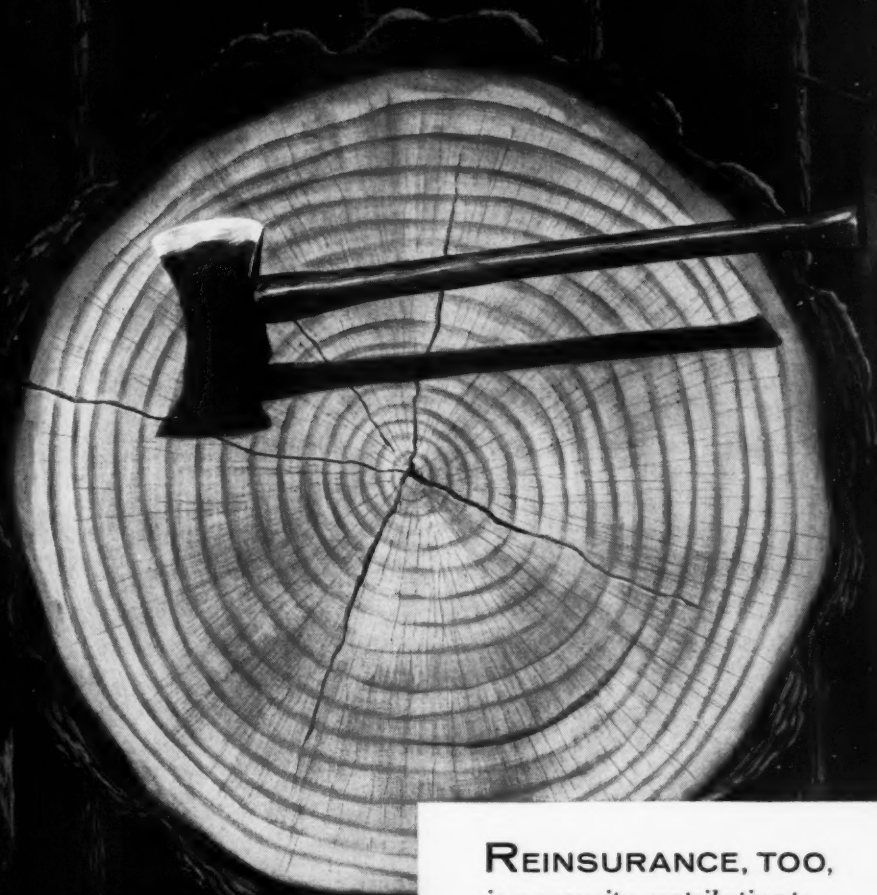


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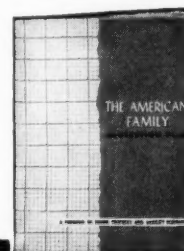
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Farm Rate Credit Plan Is Introduced in Minnesota

Makes Stock Company Rates Competitive With Mutuals on Good Risks

A new rating plan for farm dwellings and outbuildings, developed by Farm Underwriters Assn., has been introduced in Minnesota. It offers a system of applying credits to superior farms to the extent that property subject to full credit will receive a rate highly competitive with that of the farm mutuals. For example, a barn of first class construction that has been taking a rate of \$1.64 for fire and EC would get a rate of 99 cents after the credits are applied, and if it were a five year policy the rate would be approximately 80 cents.

The plan will be introduced in other states as rating bureau filings are approved.

As the new rating plan comes into widespread use in the midwest, the farm underwriters feel they will be in a position to increase their premium income substantially. The new program is regarded as one of the biggest developments in the farm insurance business in many years. It is an outgrowth of the setting up seven years ago of a nine-class classification system for farm risks. Seven years of experience under this classification plan have shown where rates can be adjusted according to type of construction, etc. There used to be only three credits in the farm business—for central heating, rural fire department protection and lightning rods, but now there are numerous credits applying both to fire and EC in addition to the three basic credits.

A special committee of Farm Underwriters Assn. worked out the credits in an effort to give the stock companies a rate that would be competitive with the small farm mutuals. The thinking of the committee was to develop a system of credits which could be applied to better farms so that the farmer who has a good set of improvements and has heretofore been subject to the same rates as his neighbor who might not have kept his property in as good condition, can receive a rate that reflects this difference in construction and maintenance.

Under the new rating system, the agent will be required to visit the farm when filling out the application, and the application, incidentally, is more complete than the one presently in use. There is also involved a survey of the buildings so that credits may be applied, and the agent must submit pictures of the property. All of this is sent to the audit bureau instead of to the company. It has been the practice in the farm business, except in Kentucky and Wisconsin, to send all farm applications direct to the insurer, but under

(CONTINUED ON PAGE 30)

VA Loses First Step in Appeal of Benefit Assignment Case

Judge J. W. Delehant of U. S. District Court at Lincoln has refused to reverse his decision and grant a new trial in the veterans administration's case against St. Paul-Mercury Indemnity seeking payment from the insurer for treatment of a war veteran in a VA hospital.

The case was decided against the VA early in July, and the government has appealed and undoubtedly will carry its case now to the 8th circuit court of appeals. The case, United States of America vs St. Paul-Mercury Indemnity, is a test of an issue which involves millions of dollars. Insurers have for the most part steadfastly refused to pay benefits to VA hospitals, even if the insured assigns benefits to the hospital. The contention of the insurers is that treatment of a veteran in a VA hospital costs the veteran nothing and, therefore, there is no liability under the policy. This point was upheld by Judge Delehant.

Robert C. Winnill, a partner in Gude, Winnill & Co., member of the New York stock exchange, has been elected a director of Fidelity-Phenix, a member of America Fore group. He is also a director and executive committee of American Eagle.

Colo. Agents Vote To Meet with RMTC

Members of Colorado Insurers Assn., by mail ballot, voted overwhelmingly to cancel the annual convention scheduled for Oct. 27-30. The annual meeting will be conducted from now on in the spring in connection with the Rocky Mountain Territorial Conference. The 1956 meeting will be April 12-15 at Colorado Springs.

The Colorado association has actually been holding two meetings a year counting the Rocky Mountain conference. President P. J. Walsh noted that a good deal of time has been spent by committee members and the headquarters staff in handling these two activities. If the Rocky Mountain meeting and the Colorado agents combine, Mr. Walsh said, separate business meetings could be conducted to keep the identity clear, and the expense of holding two meetings will be eliminated. Furthermore, it is anticipated that attendance will be substantially increased because many agents do not want to take in two meetings.

With only one big convention to handle, the headquarters staff will have more time to devote to regional meetings and local insurance days.

The association is planning to invite the National association to schedule its 1957 midyear meeting for the Rocky Mountain territory, the probable site being Denver.

Standard Oil Loss May Be Second Only to General Motors

Early Estimate Is \$20 Million for Whiting Refinery Fire

Early estimates of the insurance loss resulting from the hydroformer explosion and fire at the Standard Oil Co. refinery in Whiting, Ind., are in the neighborhood of \$20 million. Standard Oil was insured for its property loss under one of the first deductibles ever written in the United States, coverage taking effect after the first \$1 million of loss. All of the public liability and workmen's compensation is self-insured.

The 26-story hydroformer, the largest in the world, exploded early Saturday morning, and caused fires covering about 10% of the 1660-acre refinery. It is estimated that 70 storage tanks burned, and several homes in the area were destroyed by the blast.

Western Adjustment is handling the property loss and Standard Oil is handling all claims against it for damages caused by the explosion and fire. The number of the latter is estimated at anywhere from 1,000 to 2,000, but many will be for glass only, and the total liability and compensation loss will be minor in comparison with the property damage to the plant.

At \$20 million, the Standard Oil fire would be the second largest single property insurance loss in history, coming behind the tremendous General Motors fire at Livonia, Mich., in 1953 (paid by Factory Association) and ahead of the Monsanto Chemical loss at Texas City (paid by Oil Association).

The fire burned for four days, and at its height was fought by more than 4,000 persons. The main effort was to contain the flames. Oil fumes got into the sewers in part of Whiting and for two days a number of families were evacuated.

Until about five years ago Standard Oil was a self-insurer. It then bought one of the first big deductibles placed in the American market with North America as the leading company on the line. At the outset the deductible was \$500,000, but subsequently it was increased to \$1 million after a fire loss of about \$700,000. Some of the companies pulled out and the insurance was rearranged. Total insurance is \$800 million, covering 37 locations under a blanket form, and including both plants and terminals. In 1951, when the policy was initiated, the premium was \$750,000. There is no U&O insurance, but Standard officials have estimated they can resume most production at Whiting in two weeks.

About 61½% of the insurance is said to be in the American market and the remainder in London and abroad. North America reportedly has 9½% of the American share and Indemnity of North America 3%; the Factory Mutuals (CONTINUED ON PAGE 29)

Late News Bulletins . . .

Stops Conversion of A&H Insurer in N. C.

Commissioner Gold of North Carolina has ordered State Hospital Association to stop its conversion to a stock A&H insurer, after finding that its method of issuing stock was improper and not in conformity with state law.

The commissioner directed the company to return to its old name and status as a non-profit hospital service corporation, said no license will be issued to it as a stock concern and ordered held in escrow a fund of \$19,498 collected from the sales of stock.

Mr. Gold announced that warrants have been issued charging three agents of the association with forging stock transfer certificates and that a grand jury presentment is to be made against a fourth. His investigation turned up several hundred forgeries of stock transfers. He announced he is turning over to Attorney General William B. Rodman the entire file in the case.

James S. Kemper Co. Agency Promotes Nine

James S. Kemper & Co. of Chicago has promoted nine executives in its central department.

Joseph E. Magnus was raised from president to chairman of the central department. Before joining Kemper in 1932, Mr. Magnus had established the Puritan Malt Extract Co. in 1919 and, in 1929, was made vice-president and manager of sales of the Pabst Corp., Milwaukee.

J. V. Allen and H. G. Chapman, who had been 2nd vice-presidents, were elected vice-presidents of the central department. E. J. Brink Jr., who had been general office manager, and R. E. Farley, an assistant vice-president, were named 2nd vice-presidents.

Arthur Gottschalk, J. L. O'Rear and Midio Zanotti, all special representatives, were elected assistant vice-presidents. G. E. Alsweide was named assistant secretary.

Massachusetts Approves CDP Package

Massachusetts has approved the comprehensive dwelling policy of inter-bureau insurance advisory group effective Aug. 24. New York has approved the revised CDP coverage as filed by New York Fire Insurance Rating Organization, National Bureau of Casualty Underwriters and Inland Marine Insurance Bureau. The revised package is effective Sept. 12.

Other States which have approved it are Connecticut, Iowa, Maine, Maryland, Nebraska, North Dakota, South Dakota, Oklahoma and Vermont and it is in use in California. The revised CDP has an increased flexibility and offers a wider latitude of coverage and eligibility.

FTC Jurisdiction Extends Only Where State Laws Fail

**Knowlton Tells Lawyers
States Can Preserve Control
by Positive Legislation**

Positive regulation by the states of unfair methods of competition and unfair acts and practices will preserve the jurisdiction of the states and exclude the federal trade commission. This was the first of seven conclusions reached by Commissioner Knowlton of New Hampshire, past president of National Assn. of Insurance Commissioners, in his address before the insurance section of American Bar Assn. at its annual meeting in Philadelphia.

In arguing this point, he said if the determination of the question of FTC jurisdiction over trade practices of insurers results in the enforcement of a measure of federal supervision over insurers, it will result in great confusion and expensive litigation, none of which would be in the interest of the public.

He referred to Paul vs Virginia, in which insurance was held to be not interstate commerce; to the Southeastern Underwriters Assn. case, in which the court held that insurance was commerce and, when conducted across state lines, was interstate commerce; and to the federal trade commission act, which is the basis of FTC's claim of jurisdiction. The jurisdiction of the FTC was limited by the McCarran act,

so that from March 9, 1945, its effective date, to June 30, 1948, the end of the McCarran Act moratorium, the FTC act did not apply to insurance. After June 30, 1948, the FTC act did and does apply to the extent that insurance is not regulated by state law.

Mr. Knowlton's conclusion was that in order to retain jurisdiction, state regulatory statutes need not have been enacted prior to June 30, 1948, but may have been passed at any later time up to now or in the future.

He based this conclusion on the argument the interpretation is unreasonable, that the word "is" in the phrase "to the extent that such business is not regulated by state law" means that only the laws that were passed prior to the McCarran act could be considered as effecting a limitation of the jurisdiction of FTC. The language used by the court in the case of Prudential vs Benjamin, which upheld the constitutionality of the McCarran act, stated: "Obviously Congress' purpose was broadly to give support to the existing and future state systems for regulating and taxing the business of insurance."

He also interpreted the words "regulated by state law," basing his interpretation on court rulings, as referring to regulation and control by state insurance commissioners under whose jurisdiction unfair trade practices in the business of insurance would come.

It is important, he said, to consider that Congress, in redefining the scope of federal and state laws, made a delicate political adjustment to permit the states to continue unhampered in the regulation of insurance to the extent provided by the McCarran act, by providing federal legislation relating to interstate commerce which pre-

(CONTINUED ON PAGE 26)

Program for Mutual Insurers' Meet to Include E. T. Benson

Ezra T. Benson, Secretary of the Department of Agriculture, will address the opening business session at the convention of National Assn. of Mutual Insurance Companies to be held at the Hotel Jefferson in St. Louis, Oct. 9-12.

Other top speakers appearing for the three general sessions include C. Lawrence Leggett, Missouri superintendent and president of National Assn. of Insurance Commissioners; Sen. Symington of Missouri, and Rep. Curtis of Missouri.

Edward P. Arter of Nationwide Mutual will discuss management personnel training and Lyle F. Eikelbarger of Country Mutual Fire will present a paper on company investments.

A national affairs luncheon is scheduled for Tuesday with an address by William A. McDonnell, president of the First National Bank in St. Louis and vice-president of the U. S. Chamber of Commerce. The ad-sales luncheon on Wednesday will feature an address by Rev. W. H. Alexander of the First Christian Church at Oklahoma City.

Programs for the five conference sessions of National association, Federation of Mutual Fire Insurance Companies and Mutual Insurance Advertising-Sales Conference will be held Monday, Tuesday and Wednesday afternoons.

Other speakers will treat such subjects as psychological aspects of selling and how to secure maximum efforts from sales forces; mass motivation research, the why of buying and the differences between advertising readership and actual sales; progress being made in market research to provide an accurate yardstick of advertising effectiveness; scientific evaluation of mutual insurance advertising; how to meet and beat competition; what does the steady rise in crime mean to insurers?; signs of the times in the insurance field, and other topics pertaining to policy coverages and loss prevention.

Special convention entertainment will include a trip to the historical Goldenrod Show Boat on the Mississippi River. Convention activities will end with the banquet and entertainment on Wednesday evening.

Commercial Floater Introduced in Canada

A commercial property floater to provide one policy coverage on the stock, furniture and fixtures, tenants' improvements and salesmen's samples of retail stores is being introduced by Canadian Underwriters Assn. effective Sept. 1. It is similar to the commercial block policy in the U. S.

Although the policy is basically designed for single location mercantile risks where values do not exceed \$25,000, provision is made for special handling of larger lines.

Insurance is on an all risk basis with specific exclusion; flood and earthquake are normally not covered. Losses—other than by fire, supplemental contract perils, burglary and holdup or in transit—are subject to a deductible the amount of which is reflected in the rate under the policy.

Opens Claim Office in Conn.

Northwest Casualty has opened a branch claim office for Connecticut at New Haven. The office will be under the management of John N. Barclay adjuster.

Insurers Still Assaying Damage from N. E. Floods

**Agents Report; Legislators
Announce Bills for
U. S. Flood Coverage**

Information on the insurance loss in the floods in five northeast states still was sketchy after 10 days, but it appears likely that automobile losses will run heavier than the \$2 million that was first estimated for that line. Reinsurers will get a good deal of this loss since they write catastrophe covers on auto PHD at a very low retention, \$25,000 for even large insurers.

The inland marine losses, from floaters on garment processors, contractors equipment and other dealers, and from transit covers, may run less than the \$10 million to \$12 million originally feared. However, some inland marine underwriters and loss men point out that such losses come in slowly, much more slowly than notices of fire, wind and similar damage. The manufacturers output will pay for some losses, though here the aggregate is not expected to be heavy and probably will be under \$500,000. The output covers movable property and property in transit; it also covers property at fixed locations for an additional premium but little of this has been written. These IM type losses also are slow in being determined because of uncertainty as to what can be reclaimed.

The loss to the Connecticut Valley crop of tobacco which is fine, wrapper type, is serious. What was left unharvested was heavily damaged by flood waters in the fields, which will come under the crop cover, and a good deal was flooded in barns, where much of it was covered by floater.

Adding the heavy fire losses to factories in Connecticut, the total loss may run \$20 million.

Some observers believed that the flood destruction in Pennsylvania, New Jersey, New York, Connecticut and Massachusetts may lead to pressure on insurers to reconsider their previous conclusion that flood insurance cannot be written. Insurance Executives Assn. made a study of the subject after the Kansas City flood in 1951.

Govs. Meyner of New Jersey and Herter of Massachusetts have publicly suggested the government set up a national disaster insurance program similar to war risk insurance in effect during the second world war. Significantly, Gov. Herter suggested it should be made applicable to floods, hurricanes or tornadoes.

Two pieces of legislation for government flood insurance have been promised for the next session of Congress. Rep. Dodd of Connecticut proposed federal action when President Eisenhower visited the flooded areas of his state. Dodd stated that congressional leaders of both parties have indicated support for such a measure. His proposal is for a Federal Disaster Insurance Corp. He also indicated that insurance leaders in Connecticut would meet with him soon to assist in drafting legislation. He said he thought only the federal government working in cooperation with the private insurance

(CONTINUED ON PAGE 22)

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LOW NET COST

LOCAL AGENCY SERVICE

KEMPER APPROVED

INSURANCE ADVISOR

Centered in the Heart
of America's Insurance
Buying Public Are These
Two Desires:

- ★ **LOCAL AGENCY SERVICE**
- ★ **LOW NET COST**

Lumbermens
MUTUAL CASUALTY COMPANY

Operating in New York state as (American) Lumbermens
Mutual Casualty Company of Illinois

American MOTORISTS
INSURANCE COMPANY

AMERICAN MANUFACTURERS
MUTUAL INSURANCE COMPANY

Federal Mutual
INSURANCE COMPANY

Again this Fall the Kemper Companies demonstrate their faith in the American agency system through a coast-to-coast newspaper advertising campaign featuring thousands of agents. The ads, scheduled for 118 newspapers, display the agents' pictures . . . emphasize the value of personal service and low net cost insurance. Look for the ads in *your* newspaper — starting **SEPTEMBER 18**.

Divisions of **KEMPER** Insurance
Chicago

**Branches in: ATLANTA • BOSTON • DALLAS • LOS ANGELES • NEW ORLEANS • NEW YORK
PHILADELPHIA • SAN FRANCISCO • SEATTLE • SYRACUSE • TORONTO • VAN WERT, OHIO**



**American Equitable Assurance Company
of New York**

Organized 1918

Globe & Republic Insurance Company of America

Established 1862

**Merchants and Manufacturers Insurance Company
of New York**

Organized 1849

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Losses paid exceed Three Hundred Fifty Million Dollars

THE NATIONAL MUTUAL INSURANCE COMPANY

315 South Main Street, Celina, Ohio
is your answer

- if your competitor is costing you money
- if you are his easiest mark
- if you have nothing to combat new plans

ASK US ABOUT OUR SPECIAL LOW RATES ON

Automobile Fire, Theft, Windstorm, Comprehensive and Collision Coverages
(Available to Agents in Ohio, Indiana, Michigan and Pennsylvania)

WE CAN HELP YOU

- ▲ Solve your selling problems
- ▲ Meet new plan competition
- ▲ Hold old business and add new business
- ▲ Retain control
- ▲ Cut down operating expense

Operating Only On

AMERICAN AGENCY SYSTEM

- Business written only through agents
- Flat commission rates paid
- Renewals vested in the agent
- Territory open to qualified agents

—also Complete Facilities For Writing General Fire, Windstorm and Other Allied Coverages and Inland Marine (Available to Agents in above states and the following additional states: Kentucky, Maryland and Wisconsin)

**ALL TO GAIN NOTHING TO LOSE
NO OBLIGATION**

AGENCY _____

LOCATION _____

DON'T WAIT . . . MAIL THIS AD TODAY TO:

THE NATIONAL MUTUAL INSURANCE COMPANY

Celina, Ohio

"Service Through Agents For 41 Years"

**Farm Bureau Group
of Ohio Takes on
Nationwide Title**

Farm Bureau Mutual group of Columbus, amidst a barrage of publicity throughout the country, on Sept. 1 changed its name to the Nationwide group. Farm Bureau Mutual Auto is now Nationwide Ins. Co., Farm Bureau Mutual Fire becomes Nationwide Mutual Fire, and Farm Bureau Life becomes Nationwide Life.

The companies have begun a four-week advertising campaign to announce the change and are spending approximately \$600,000 in newspapers, television, radio, billboards and business papers. Mumm, Mullay & Nichols advertising agency of New York and Columbus developed a 16-page magazine section for the New York Times Sunday paper of Aug. 28.

Farm Bureau announced some months ago that the name change was to take place Sept. 1, and announced at the same time a program of expansion under which it would be licensed in more states. Among the first states on the list are Illinois, Iowa, Indiana, Missouri, Massachusetts and California. The companies are licensed now in 13 states and the District of Columbia. Plans for the expansion program hit a snag because of the number of farm bureau companies licensed in other states. The conflict in name is the principal cause of the adoption of the Nationwide title.

The Farm Bureau companies took a 16 page special section in the New York Times Aug. 28 to announce the change in name.

In the same publication, the organization takes occasion to promote its Peoples Development Co., which operates Lincoln Village, a model city outside of Columbus, O., to which it is seeking to attract industries and workers. Another associate of Farm Bureau, Approved Finance, advertises its financing of automobiles. Peoples Broadcasting Corp., which operates four radio stations, in Fairmount, W. Va., Trenton, N. J., Worthington, O., and Cleveland, also comes in for promotion, as being "owned by the policyholders of Nationwide Mutual." Another of Farm Bureau's diversified activities is Tectum, a roof plank and tile material which is put out by Peoples Research & Manufacturing Co., and this is also advertised.

The advertisement features the cooperative, policyholder ownership character of Nationwide and its affiliates. The section starts off with an appeal for foreign aid in the field of education, and urges readers to learn all they can about United Nations, plan meetings on world problems in home, church, school, and club; urge Congressmen to expand all self-help programs and support the strengthening of UN; send CARE packages; open homes to visitors from foreign lands; help churches send more missionaries, farm specialists, doctors, or educators abroad; learn all possible about various proposals for world government and support a good one; help organize local sponsorship of at least one displaced person's family, and be a foster parent to some small victim of war.

Murray D. Lincoln, in an address to home office employees during a program marking the change of name, made some predictions for the future, and said that by 1975 Nationwide would be operating in all 48 states and would have nine million policies in

**Kingsley Named
Fireman's Fund
Pacific Manager**

Philip F. Kingsley has been named manager of Pacific department fire



P. F. Kingsley

operations of Fireman's Fund group to succeed Leland S. Gregory who retired Aug. 31.

Mr. Kingsley joined Fireman's Fund in 1925 as an underwriter, was named special agent for New Mexico in 1930 and state agent for Colorado in 1940. He was assigned to the Pacific De-

partment in San Francisco as superintendent of the service and improved risk department in 1946 and was named manager of the fire department in southern California and Arizona in 1950. Since February of this year, he has been supervisor of production and underwriting of fire and allied lines at San Francisco.

Mr. Gregory joined the company in 1910 and was made assistant vice-president in 1937 with supervision of Pacific fire operations. He is a former president of Pacific Fire Rating Bureau and former vice-president of Fire Underwriters Assn. of the Pacific.

**Burress Is Appointed
by American Casualty**

Frank J. Burress Jr. has been named head of the fidelity and surety department of American Casualty's New Jersey office, succeeding George A. Peterson Jr., transferred to the New York department at 111 John Street as manager of the bonding division.

**143 Insurers Ready To
Write ML in Ohio**

So far, 143 domestic and foreign insurers have announced their intention to write multiple line under the new Ohio multiple line law, which goes into effect Sept. 5.

force as compared with the present three million. Assets, he said, will be over the \$1 billion mark (as against \$235 million now) and the companies will have about 20,000 employees and agents.

Also marking the change was the introduction of a sales contest to run for two weeks. A number of new policies and procedures have been introduced, among them being the introduction of the new automobile policy using large type, illustrations and about 3,000 fewer words than most other auto coverages.

Three new life insurance policies are being put on the market—one to guarantee income for a widow during the years when she is not eligible for social security, an estate builder for young people, and a five-year convertible term policy in large amounts and with conversion privileges at low rates.

Mr. Lincoln said that by 1975 the country will be enjoying accident-free, electronically regulated traffic, global climate control, a 100-year life expectancy and a 34 to 36-hour week. In developing such a society, he said, cooperatives must play a major role.

Total Disability Generally Defined as Unable to Continue Regular Work

The insurers' problem in attempting to interpret fairly policy disability provisions and facts has been made difficult because disability is inherently a rather personal thing and because there is a strong tendency by the courts and juries to allow recovery by the little man against the larger corporate insurer, insurance law section of American Bar Assn. was told at Philadelphia by G. Robert Muchemore, counsel of Mutual Benefit H.&A.

Mr. Muchemore, whose topic was "Total Disability—What Is It?" said disability policy provisions used have been numerous and, although the intent has almost always been the same, the wording used has varied. But regardless of the particular wording, the courts have generally construed such provisions in a similar manner.

Cases interpreting these provisions are legion and a vast body of law has been built up which has resulted in a fairly general formula that can be applied to any given situation.

He said he thought the general principles would be that an individual would be considered totally disabled unless he could spend a substantial portion of his working time doing the substantially material elements of a livelihood comparable in type and compensation to the occupation in which he was engaged at the time disability commenced.

These general principles would not apply to policies which are occupational in nature, that is, provide payment of benefits if insured is disabled from performing his occupation. They are applicable to the larger number of policies which are nonoccupational in nature, but provide coverage for insured's total disability from gainful occupation.

Mr. Muchemore reviewed some cases which have resulted in the general principles he enumerated.

In *Tenkhoft vs New York Life* heard by St. Louis court of appeals insured, a registered pharmacist, was injured in a California earthquake. Benefits were paid by insurer from the inception of the disability until 1944, at which time the company refused to pay any further benefits.

The facts revealed that insured had moved to Missouri in 1934, at which time he purchased a drug store in which he employed seven persons. Testimony indicated that he was not able to be on his feet for any great length of time and, thus, was somewhat restricted in the matter of continuously filling prescriptions, in waiting on trade and some of the more arduous physical duties. On the other hand he definitely decided all major policy matters, did the over-all administration, prepared some prescriptions, cashed and spent approximately six hours a day at the store.

After reviewing the facts and applicable law the court found the jury could properly conclude that the drug-gist's condition was such that he was actually totally disabled. Such decision was given in connection with a policy provision that provided such benefits if insured "has become totally disabled by bodily injury or disease so that he will be thereby wholly prevented from performing any work, following any occupation or engaging in any business for remuneration or profit."

The supreme court of Arkansas came to the opposite conclusion in a similar case of fact in *General American Life*

vs Chatwell. This case concerned a waiver of premium provision; waiver being allowed when insured was totally disabled. Disability was defined as "total whenever insured is so incapacitated by bodily injury or disease as to be wholly prevented thereby from engaging in any gainful occupation whatsoever."

Insured in this case owned a paint

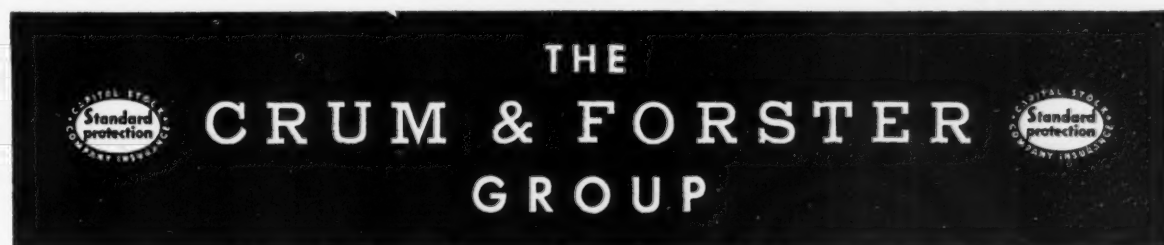
and paper business and ran it with the aid of his wife, a bookkeeper, and a part-time clerk. He was injured in an automobile accident and a short time after the injury was able to go back to his business and continued operation with his wife and two part-time clerks. He could not climb any ladders or obtain goods off the shelves that were out of reach from the floor, and was unable to do heavy lifting. He did wait on customers that he could serve from shelves within reach and generally administered the store, buying and sell-

ing goods. He walked with a cane and it was readily admitted that he was to this extent less able to carry on his duties than he was before the accident.

After judgment in the trial court for insured, the insurer appealed and the supreme court of Arkansas found the insurer was correct in its contention that insured was not totally disabled.

In the case of *Ebert vs Prudential*, insured had several policies with Prudential providing for waiver of premium and disability benefits in the

(CONTINUED ON PAGE 21)



FINANCIAL STATEMENTS AS OF DECEMBER 31, 1954

ASSETS

	UNITED STATES FIRE INS. CO.	NORTH RIVER INS. CO.	WESTCHESTER FIRE INS. CO.	U. S. BRANCH WESTERN ASSURANCE	U. S. BRANCH BRITISH AMERICA	SOUTHERN FIRE INS. CO.
Cash in Banks & Trust Companies	\$ 8,882,644	\$ 4,053,093	\$ 3,950,563	\$ 904,441	\$ 533,367	\$ 819,177
★ United States Government Bonds	36,908,816	19,905,120	19,926,605	6,931,823	3,701,674	2,389,736
★ Other Bonds	16,422,150	8,080,358	9,112,363	1,278,895	716,220	799,324
★ Stocks	44,529,695	29,259,270	29,772,345	1,108,403	1,323,504	1,975,439
Mortgage Loans on Real Estate	3,859	5,900	10,804	0	0	0
Real Estate	112,590	0	0	0	0	0
Premium Balances Receivable (Not over three months due)	3,394,990	1,883,629	1,697,854	388,533	202,104	241,504
Interest and Real Estate Income Accrued	227,533	118,365	151,621	24,272	13,847	12,016
Other Assets	2,555,861	688,412	2,086,614	169,467	80,847	89,158
Total Admitted Assets	\$113,038,138	\$63,994,147	\$66,708,769	\$10,805,834	\$6,571,563	\$6,325,354

LIABILITIES

Reserve for Unearned Premiums	\$ 37,863,757	\$19,399,320	\$21,142,469	\$ 3,716,050	\$2,038,636	\$2,521,253
Reserve for Losses and Loss Expenses	10,848,316	6,103,621	7,072,634	1,391,790	742,699	730,715
Reserve for Taxes and Expenses	2,328,536	1,424,700	1,583,000	377,500	199,000	177,240
Reserve for All Other Liabilities	2,223,102	846,802	1,243,414	209,895	104,010	41,066
Capital	3,000,000	2,000,000	2,000,000	†500,000	†500,000	750,000
Net Surplus	56,774,427	34,219,704	33,667,252	4,610,599	2,987,218	2,105,080
Surplus to Policyholders	59,774,427	36,219,704	35,667,252	5,110,599	3,487,218	2,855,080
	\$113,038,138	\$63,994,147	\$66,708,769	\$10,805,834	\$6,571,563	\$6,325,354

* Bonds and Stocks are valued in accordance with the basis adopted by the National Association of Insurance Commissioners.

Securities in statements include amounts deposited with various states, as required by law, in the following amounts: United States Fire, \$4,533,536; North River, \$3,475,523; Westchester Fire, \$3,431,237; Western Assurance, \$1,188,935; British America, \$1,140,268; Southern Fire, \$512,658.

On the basis of December 31, 1954 market quotations for all bonds and stocks owned, the Total Admitted Assets and Surplus would be increased by the following amounts: United States Fire, \$399,634; North River, \$50,022; Westchester Fire, \$2,152; Western Assurance, \$2,287; British America, \$4,806; Southern Fire, \$18,848.

† Statutory Deposit.

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WESTERN DEPARTMENT FREEPORT, ILLINOIS	PACIFIC DEPARTMENT SAN FRANCISCO, CALIFORNIA	SOUTHERN DEPARTMENT ATLANTA, GEORGIA	VIRGINIA-CAROLINAS DEPARTMENT DURHAM, NORTH CAROLINA	ALLEGHENY DEPARTMENT PITTSBURGH, PENNSYLVANIA
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Wiggers Retires as P. & G. Insurance Head

Lowe H. Wiggers has retired as manager of the insurance and real estate department of Procter & Gamble Co.

Mr. Wiggers joined the company as a clerk in the treasury department in 1910 and became insurance department manager in 1918. He was named manager of the real estate department in 1937 and assistant secretary in 1940. He is a former director of the National Insurance Buyers' Assn.

He is succeeded as manager of the

insurance department by W. T. McWhorter and as manager of the real estate department by J. S. Goeddel.

Milwaukee Board to Hear Maurice Herndon

Milwaukee Board of Underwriters will hold its annual meeting at the Hotel Astor, Milwaukee, Oct. 12.

Maurice J. Herndon, Washington representative of National Assn. of Insurance Agents, will talk on "Politics, Taxes and Insurance."

James H. Austin & Associates, Spokane agency, has moved to 1803 North Division.

Auto PHD Down 10% in Fla., 11% in Ga.

New Rates for automobile material damage coverage in Florida and Georgia, filed by National Bureau of Automobile Underwriters effective Aug. 29, result in an annual estimated savings of \$3.9 million in Florida and \$4.6 million in Georgia.

Private passenger comprehensive rates in Florida are reduced about 10% and in Georgia are cut 11%, with the reduction in Atlanta amounting to an estimated 18%.

Rates for \$50 deductible private passenger collision in Florida are down 14% and in Georgia are reduced 21%. Private passenger collision \$100 deductible rates are down 25% in Florida and 20% in Georgia.

In both states the 13% credit for young women operators and the credit for driver education apply.

Commercial local hauling fire, theft and comprehensive rates are reduced 13% in Florida and 10% in Georgia, commercial local hauling collision rates are reduced 14% in Florida and 5% in Georgia and commercial intermediate and long distance hauling fire, theft and comprehensive rates are cut 15% in Florida and 14% in Georgia. Collision premiums for these classes of commercial vehicles are unchanged.

What Agent Does with Company Letterheads

The Georgia Cracker, publication of Georgia Assn. of Insurance Agents, comments on the fact that Excelsior has decided to discontinue the practice of sending imprinted company letterheads, envelopes and blotters to its agents, as follows:

"We know an agent in New Jersey who has never ordered company letterheads in his life. If they send a supply voluntarily, he immediately sends the packages to his printer, where the edges are gummed and the paper cut into smaller sections. They make wonderful scratch pads, the agent says."

Haase in Ohio Field

Worcester Mutual Fire has appointed W. A. Haase field man in Ohio. He has been in insurance for more than 20 years. He served Lumbermens Mutual of Ohio, and later was branch manager of Celina Mutual Casualty. He was also with Integrity Mutual of Appleton, Wis., and assistant secretary and manager of Great Lakes of Toledo. For two years he has been production field man for Agency Corp. of America. He joined Worcester Mutual in July.

Bunnell to Interstate Agencies

George H. Bunnell, vice-president and general manager of the Robert B. Mackey agency, Grand Rapids, has resigned to assume the presidency and managership of Interstate Agencies, Inc., also of Grand Rapids.

Mr. Bunnell has had 25 years of experience in production in the company and agency end of the business. Interstate is a multiple line operation with specialized facilities for handling of long-haul trucking risks and other classification of an unusual or excess nature. The firm will on Sept. 1 move to new offices in the Insurance Exchange building.

Welborn Moves to Kansas City

C. E. Welborn has been appointed Kansas City underwriting manager for Employers Mutuals of Wausau. He has been in charge of underwriting at Los Angeles, and at Kansas City succeeds Morgan Winsborough who has been transferred to the home office. Mr. Welborn joined Employers Mutuals in 1942 and before that was with Central Surety for six years.

N. A. Lunch for Bar Group Successful

The North America luncheon for 3,500 members of American Bar Assn. meeting in Philadelphia was termed highly successful by guests who attended. The affair honored President Eisenhower, who was a guest and who entered with President John A. Diebold of North America. It was held on Independence Mall in Philadelphia, and about 1,000 were turned down for invitations because they could not be accommodated.

A \$150,000 surety bond in Indemnity of North America insured restoration of the site. About 40,000 square feet of the area was under canvas, as a precaution against rain. Among other statistics are these: 30 chefs, 120 waiters, 30 dishwashers, 10 truckloads of equipment, 10,000 teaspoons.

A handsome souvenir luncheon menu and program was provided each guest.

LP Gas No Longer Bad Risk for Insurers

The handling of liquified petroleum gas has been raised to such a high level of security that it is probably as safe as or safer than natural gas, John Singreen, newly appointed member of the Louisiana liquified petroleum gas commission and president of New Orleans Insurance Exchange, said at a meeting of Capital Stock Fire Insurance Assn. in New Orleans.

In the past, Mr. Singreen said, the mention of butane as a risk to company insurance executives was like suggesting a drink of poison. But now the use of LP gas has grown so much it is less expensive than coal and electricity in many areas and has the advantage of being cleaner than fuel oil, he said.

National Board Film for Prevention Week

National Board is making available a one-minute animated cartoon trailer for use during Fire Prevention Week, Oct. 9-15, for theatres, TV, schools, industry, or community group showing. Called "Danger at Your Door", it is available in either 35 or 16 mm. safety film at \$7.75 per print, including end-title imprinted with the name of organization or fire chief. Copies are available at Filmack, 1327 South Wabash avenue, Chicago.

Dryer Appointed Secretary

James A. Dryer, manager of the recording department for Standard Accident, has been named an executive secretary.

He will continue to supervise the recording department, which will be headed by Earl B. Behrens.

Mr. Dryer joined Standard Accident in 1925, and Mr. Behrens joined the company in 1923.

Denton Afco Counsel

Afco, premium financing company, has named Edward L. Denton Jr. counsel. He formerly was with the law firm of DeForest, Elder & Mulreany of New York.

Scott to Chicago for Standard

James C. Scott, manager of the bond department at Cleveland for Standard Accident has been transferred to Chicago in a similar capacity.

Mr. Scott joined Standard Accident in 1929 at the home office, was transferred to Detroit in 1945 as an underwriter, became chief bond underwriter in 1948 and in 1951 was made assistant manager of the bonding department. In 1952, Mr. Scott was transferred to Cleveland as bond manager. He is a past-president of Surety Assn. of Michigan.

The Rigdon agency at Crystal City, Mo., has moved to new offices at 135 Main Street.

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★ The spelling is correct, as use of these KIT\$ will result in additional \$ \$ \$ for you.

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Cimarron Insurance Company, Inc.

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Only Minor Changes Needed as N.Y. DBL Enters Sixth Year

Several suggestions for current consideration by the legislature for minor changes in New York's disability benefits law in the light of the experience during the five years the law has been in effect, were made by Harry G. Waltner Jr., social security adviser of Standard Oil Co., New Jersey, before the insurance law section of American Bar Assn. annual meeting at Philadelphia.

Since the DBL went into effect, the relation between the maximum weekly benefit amounts under that law and under the unemployment insurance law has been correlated because of the increase in the average gross wages, he said, and undoubtedly, the 1956 legislature will review the desirability of making an upward adjustment in the maximum disability benefit. It will be interesting to see, he said, whether or not the legislature also considers increasing the maximum weekly wage upon which the employee's contribution to the program is calculated.

It is also desirable to consider a study to determine whether the establishment of \$12 million as the minimum size of the special fund for disability benefits is unnecessarily conservative. It has been necessary to levy but one assessment to maintain the fund between \$11 million and \$12 million, he said. With the highest amount of benefits paid out of the fund in a year totaling less than \$900,000, a question is raised as to the need for a fund of this magnitude.

Mr. Waltner also suggested that since employers are, generally speaking, subject to both disability and unemployment insurance laws, the DBL be amended so that when the unemployment insurance law is effective for employers of two or more persons, the DBL will also apply to them. If such employees are disqualified from unemployment insurance because of disability, they may become eligible for a disability benefit payable from the special fund for disability benefits.

A fair analysis and review of experience under the DBL in New York during its first five years of operations demonstrates that the theory and objectives of the law are sound, he said. There is every indication that the law is operating smoothly, with a minimum of controversy and delay in the payment of benefits. New York employees are paying substantially less toward the cost of the program than employees elsewhere. Competition within the insurance business and between insurance and self insurance has made reasonably low cost coverage available. The plan is flexible enough to fit the needs of the employer, employees and a union.

From the standpoint of public interest, Mr. Waltner said, it may be even more important that the law demonstrates that a compulsory disability benefit program can be operated efficiently and well by everyone concerned.

Mahoney Is Appointed by American Casualty

Patrick J. Mahoney has been named special representative for all forms of crime insurance by American Casualty. He will make his headquarters in the New Jersey office at East Orange.

"I know American-Associated's reputation as a casualty company... and this is for me!"



American-Associated's famed extra services now available in the BONDING FIELD

The facilities, conveniences and thinking that distinguish *American-Associated* in the casualty field have been carried over into our Bond Division.

For example, in *all* of our bond writing Branch Offices, you will find bond specialists who have *more* than experience and an interest in serving you well. They are backed by an organization geared to unusually prompt action. When questions arise

requiring Head Office attention, in nearly all cases you have the answer in *hours*—not *days*!

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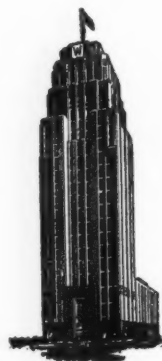


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Battle Creek, Michigan

Timely tip for new brokers

From William J. Finn, right, Chicago Broker, shown here with John J. Crotty, Prudential Brokerage Manager, Don K. Alford & Associates, Chicago.



"If you're a relatively new broker," says William J. Finn of Chicago, "Prudential's brokerage service can be a big help to you. It was for me.

"For example, in a recent case involving the sales of a \$40,000 Modified 3 policy, The Pru brokerage manager helped me follow it through to the very end. He gave me just the right sales aids, together with some very persuasive assistance at the point of sale.

"And even with all this help from Prudential, I still got the full commission!"

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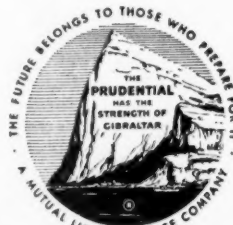
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1875—Protecting the Family—1955

N. H. Agents' Annual Set for Sept. 20-21

New Hampshire Assn. of Insurance Agents has completed the program for its annual meeting Sept. 20-21 at Wentworth-by-the-Sea. The theme will be an education in insurance.

A pre-convention session will be held Sept. 19 by the executive committee but full activities will not get underway until Tuesday morning, when agents will register.

The general business session that morning will include annual reports, including one by the resolutions committee, and election of officers. New Hampshire Insurance Women's League will hold a meeting at the same time.

John C. Stott of Norwich, N. Y., a past president of NAIA, will speak on meeting direct writer competition at a luncheon, which will be followed by a golf tourney. The convention will reconvene at 2 p.m. with three simultaneous meetings.

Walter N. Collins, New England manager of Rough Notes, will speak on agency management at one session and R. M. Taft, assistant to management of Factory Insurance Assn., will speak on factory insurance at another. While they are speaking, the executive committee of the women's league will meet.

A reception sponsored by the visiting company representatives will be held Tuesday at 6 o'clock, followed by the annual banquet at which guests will include Gov. and Mrs. Dwinell, Commissioner Knowlton and Deputy Commissioner Sheldon. Dancing will follow the banquet.

The local board breakfast will be held Wednesday morning followed by a general conference session at which speakers will be Willard E. Unzicker, vice-president of Afco, who will speak on premium budgeting, and Joe H. Bandy, Nashville agent and chairman of the casualty committee of NAIA, who will take a look at the automobile picture.

Two Mich. Associations Elect New Officers

Charles E. Garrett Jr. has been elected president of the Kalamazoo Assn. of Insurance Agents to succeed Richard Early Jr. Other new officers are Anthony R. Zwart, vice-president; Garner Brown, secretary; Ben Maher, treasurer, and E. C. Rowen, board member.

Myrl Underwood has been elected president of the Ann Arbor Assn. of Insurance Agents to succeed William Mundus, who was named secretary. Other new officers are Ray C. Johnston, vice-president, and Stuart Thayer, treasurer.

Kralovec & Son at 50th

J. M. Kralovec & Son metropolitan supervising agency of Chicago reached its 50th anniversary Sept. 1. It has also been at the same location for that period of time, 2011 South Laflin Street. The agency was founded by J. Martin Kralovec, who was later joined by his son, George W. Kralovec, Sr. The elder Mr. Kralovec died in 1924 and George, Sr. in 1953, after 48 years with the agency.

Now a partnership, the agency is operated by two sons of George, Sr., J. Martin II and George, Jr., does business 100% through brokers and sub-agents and writes all forms of fire, casualty, marine and credit life. Jacob Machacek, office manager, has held this position with the agency for 45 years.

Minnesota has approved the new automobile rating plans of State Farm Mutual Auto.

Directors Approve Aetna Casualty and Automobile Merger

Directors of Aetna Casualty and Automobile have approved a merger of the two companies effective Dec. 31. Stockholders will vote on the proposal Sept. 22.

Under the proposal, a 50% stock dividend would be paid by Aetna Casualty Nov. 15 to holders of record Oct. 14. Stockholders of Automobile would then be entitled to one share of Aetna Casualty in exchange for each share of Automobile stock. The exchange would take place immediately after the first of the year.

The merged company would continue under the name of Aetna Casualty & Surety.

Investment Income Up for Glens Falls Group

Operations of the Glens Falls group showed an increase in investment and decreases in underwriting income and net income after taxes for the first six months of 1955.

Total net gain after taxes amounted to \$1,332,746 or \$2.05 a share as compared with \$2,070,352, or \$3.19 a share in the first six months of 1954.

Total written premiums were \$36,484,659 as compared to \$36,585,792 for a net statutory underwriting loss of \$10,780 after providing for increase in the unearned premium reserve of \$1,418,220. Income from investments totaled \$1,448,671.

The consolidated capital, surplus and voluntary reserve amounted to \$47,796,630, compared with \$44,491,138 as of December 31, 1954.

Maryland Casualty Opens at Louisville

Maryland Casualty has opened a branch office at 310 West Liberty Street, Louisville, with Elmer C. Schoumacher as resident manager. J. H. Kotheimer Jr., formerly manager of the Louisville claim office, is now manager of the claim division there.

Mr. Schoumacher joined Maryland Casualty in 1946 as supervisor of casualty underwriting at Chicago and a year later became manager of the casualty department of Cincinnati.

Young Heads New Mass. Bonding Atlanta Branch

Massachusetts Bonding has opened its new southeastern department office in the Fulton National Bank Building, Atlanta, with Henry L. Young, resident vice-president in charge.

Mr. Young started his career in 1925 and spent 18 years with U. S. F. & G. in casualty and fidelity surety lines. More recently he was assistant regional manager at Atlanta for Royal-Liverpool group.

Local Ia. Agents Elect

Council Bluffs Assn. of Insurance Agents has elected William A. Cutler of the Nelson agency president.

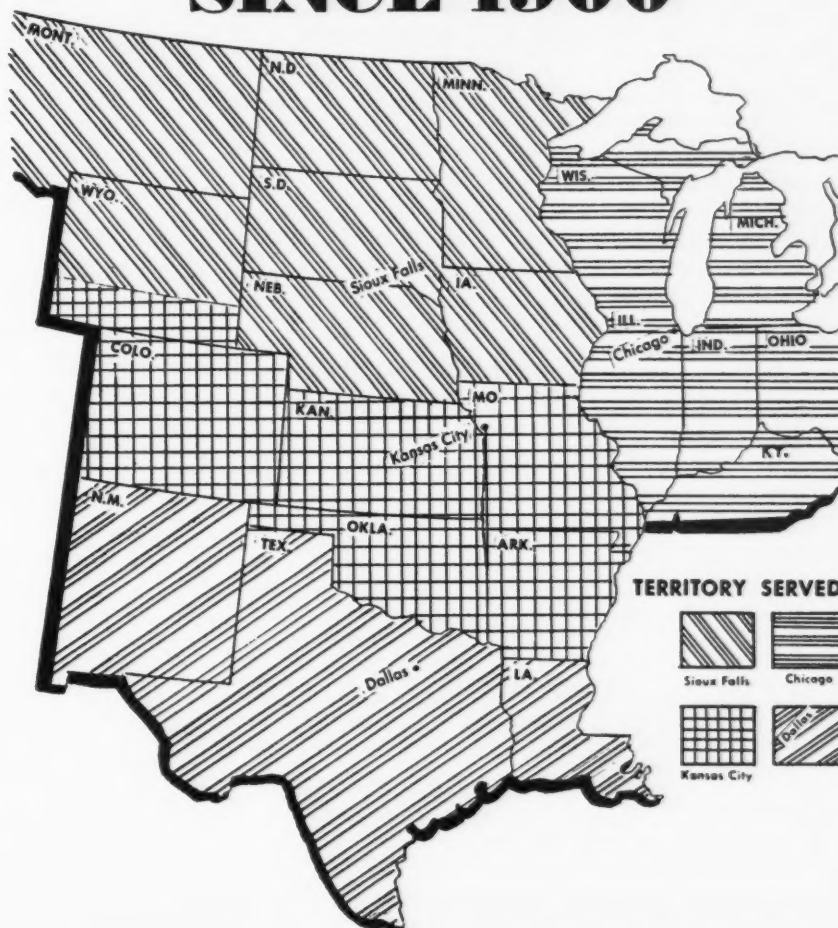
Other officers for the coming year are John Wadsworth, vice-president, T. J. Smith, secretary-treasurer, and David L. Shugart, J. F. Mulqueen and Leon Morse, executive committee members.

Home Mutual Founder 93

Julius Bubholz, secretary and chairman of Home Mutual of Appleton, Wis., celebrated his 93rd birthday at a party given by company employees.

Mr. Bubholz founded the company in 1900 at Seymour to provide wind-storm protection for farmers and it is now multiple line.

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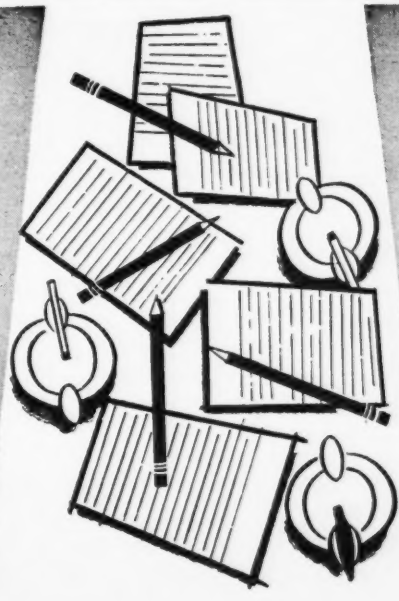
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OHIO, INDIANA, MICHIGAN, PENNA., KENTUCKY, W. VA.
HOME OFFICES COLUMBUS, OHIO

Burglary Policy. Discounts Revised

National Bureau of Casualty Underwriters has revised two burglary insurance manual rules effective Aug. 31 in all states except Texas where they are effective Oct. 1. The revisions also go into effect Aug. 31 in District of Columbia, Alaska, and Puerto Rico and Sept. 1 in Hawaii.

Rule 24 in the money and securities broad form section has been revised so the loss inside the premises coverage of the money and securities broad form policy will now afford coverage on insured property in a bank night depository safe, eliminating the need for endorsing the policy unless insurance in addition to that provided by the policy is required for a night depository safe.

In the miscellaneous section of the manual, rule 3, pertaining to the storekeepers burglary and robbery policy, is amended to permit applying the 50% discount to the second, third and fourth units of \$250 of coverage under each discount applied to the second and third units only.

Mutual Insurance Rating Bureau also liberalized coverage available under the storekeepers burglary and robbery policy and extended the standard coverage under the money and securities broad form policy to include coverage in a bank night depository safe without the necessity of endorsing the policy.

The revised manual rule governing the rating of the storekeepers burglary and robbery policy is amended so as to make available five additional units discountable by 50% for the same insured at the same premises, effective Aug. 31 in 41 states and District of Columbia. The same manual rule is amended to permit the application of the 50% discount to three additional units effective Aug. 31 in New York

and Louisiana and Oct. 1 in Texas. The standard coverage amendment is effective Aug. 31 in 43 states and District of Columbia and Oct. 1 in Texas.

Employers Promotes Barber, Batchelder in N. E. Department

Employers group will promote Robert L. Batchelder from assistant regional superintendent of fire at Boston to assistant branch manager at Springfield and Hans W. Barber from state agent in Connecticut to succeed Mr. Batchelder at Boston.

Mr. Batchelder joined the group in 1941 and has also served as an underwriter and special agent. Mr. Barber has been with the group since 1953. The promotions take effect early this fall.

Dismissal Denied by FTC in United Case

The motion to dismiss the federal trade commission complaint against A&H advertising of United of Chicago on grounds that the FTC lacked jurisdiction has been overruled by Loren H. Laughlin, FTC hearings examiner at Washington. He denied the motion on procedural grounds and emphasized that the action was of an interlocutory nature, subject to further consideration at initial hearings.

Examiner Hier denied National Casualty's motion to dismiss the complaint against it, and Educators Mutual counsel filed a motion with the hearing examiner to dismiss the complaint against it.

Berch To Mich. Agency Ranks

Bernard D. Berch has joined the W. R. Nuttall agency of Standish, Mich. He has been for three years in the Michigan field for Indemnity of North American and before that was with Royal-Liverpool group as an underwriter.

Brown and Johnson Head Education for Aetna Fire Group

Aetna Fire group has named Howard H. Brown educational director and Chandler B. Johnson Jr. assistant educational director. For several years they have devoted their time to the group's schools and correspondence courses.

Mr. Brown was senior adjuster with General Adjustment Bureau in New York before he joined the group in 1949. Mr. Johnson joined the group in 1950. He has completed the group's multiple line training school and has received special preparation for duties with the educational department. He became an instructor in 1953.

Bonds of \$22.5 Million Written on N. Y. Project

Performance and payment bonds of \$11,250,000 each have been written on a contract for construction of Morningside Gardens, a New York cooperative housing project. The bonds were arranged by Maryland Casualty through Lucy & McNiece, New York general agency.

Besides Maryland Casualty, co-sureties include American Automobile, American Employers, Continental Casualty, Fidelity & Casualty, Massachusetts Bonding, Springfield F&M, Standard Accident and Travelers Indemnity.

Wichita Agents Elect Weldon, Hear Budke

B. J. Weldon has been elected president of the Wichita Assn. of Insurance Agents.

Other new officers are Ivan Hemphill, vice-president, and Henry V. Schott, secretary-treasurer. Mr. Weldon was also elected a delegate to the national convention.

Harold Budke discussed changes in

the automobile medical payment coverage under the standard automobile policy which became effective Aug. 24. He explained that normal medical payment coverages for any person injured in an auto accident have been extended to include any member of the family of insured who may be struck by an automobile.

Blakeslee to Hartford for American-Associated

Robert W. Blakeslee, assistant branch manager for American-Associated at Pittsburgh, has been promoted to resident vice-president at Hartford. He succeeds W. F. Wratten, who is being transferred to Cincinnati.

Mr. Blakeslee began his insurance career as an underwriter with Liberty Mutual at Boston in 1934. He joined American-Associated at Baltimore in 1942 and six years later was named underwriting manager at Pittsburgh. He was named assistant branch manager at Pittsburgh in 1951.

Royal-Liverpool Ups Ebdon to State Agent

Royal-Liverpool group has named Edgar H. Ebdon Jr. an additional state agent in the Connecticut field. He will be associated with State Agent Carl L. Plock at Hartford.

Mr. Ebdon joined the group in 1948 and was appointed special agent in Maine a year later. Since 1952 he has been special agent assisting Mr. Plock.

Signs Wis. Licensing Bill

Gov. Kohler of Wisconsin has signed the agents' qualification bill. The measure was sponsored by Wisconsin Assn. of Insurance Agents and requires a written examination and a \$5 fee for new agents. Agents already licensed will not have to take an examination, although the insurance commissioner may require a written examination for renewal if he deems it necessary.

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Federal Had Bond in Brokerage Firm Loss

Federal has primary fidelity coverage on Winslow Douglas & McEvoy, New York stock brokerage whose office manager and cashier, George Bradley, 61, is charged with forgery in the theft of \$180,000 from the firm over the past 20 years.

Assistant District Attorney Jerome Kidder, who reported that the larceny may amount to more than \$180,000, said that so far as has been established, Bradley did not gamble with the money. Bradley's wife said that she had not seen any of the money and knew nothing of the alleged thefts.

Minn. Sues Insurers to Recover State Fees

Ohio Casualty and General of Seattle and 37 employees of Ramsey County have been named in an action brought by the state of Minnesota to recover \$70,000 in missing game and fish fees. The insurers carried bonds on county employees.

The suit will attempt to determine which of the employees are responsible for the missing fees, since the insurance companies contend they are not liable on the bonds.

Completing Plans for Pa. Agents' Annual

Plans are being completed for the annual convention of Pennsylvania Assn. of Insurance Agents at the William Penn Hotel, Pittsburgh, Sept. 11-13. Following general sessions Monday, there will be a round table conference on agency management Monday afternoon entitled "This Is Your Insurance Life." That evening there will be a cocktail party and in the afternoon the annual golf tournament.

The Tuesday morning general session will be followed by another afternoon panel discussion on product liability and fire legal liability, and the annual banquet will be held Tuesday evening.

AFIA Moves Office in Sao Paulo

American Foreign Insurance Assn. has moved its Sao Paulo, Brazil, branch into a new office on the eighth floor in the First National City Bank building at Rua Conselheiro Neves, 14, Sao Paulo. The premium volume of Home continued to lead the other 25 foreign companies operating in Brazil.

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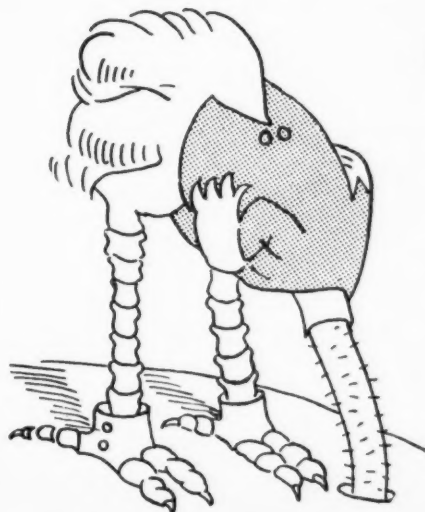
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Terms "Inequitable" Non-Contribution in Overlap Cases

WASHINGTON—The problems that arise from overlapping casualty coverages were discussed by Sam H. Hood, partner in the law firm of Fulbright, Crooker, Freeman, Bates & Jaworski of Houston, before Federation of Insurance Counsel at its annual meeting here.

As most business men and companies have become well aware of the necessity of obtaining many forms of casualty protection and as most agents have been rightly selling their clients on the fact that many forms of coverage are essential for their protection, there is some overlapping of coverages.

Sometimes, Mr. Hood said, these overlapping coverages are written in the same company, in which event no legal problem is likely to arise. Off-times, however, they are written with different companies so that when a loss occurs a conflict arises between the insurers as to which has the coverage and which shall assume the responsibility for conducting the investigation, defending suit, making settlement or paying a judgment.

Mr. Hood, who limited his talk to the casualty field and especially to overlapping coverages in automobile and general liability policies covering the premises of insured, said that from his examination of the authorities, it appears that conflicts have most prevalently arisen in three instances.

They are: when insured has both an automobile and a general liability policy with different companies; when insured automobile is not, at the time

of the loss, being operated by the owner, but is being driven by some other party who also has liability insurance covering its operation under such circumstances, and in rare instances when through some mistake there is double coverage on a particular vehicle.

In almost all automobile and public liability policies covering the premises of insured there are provisions similar to the following: "if insured has other insurance against the loss covered by this policy, the company shall not be liable under this policy for a greater proportion of such loss than the applicable limit of liability of all valid and collectible insurance against such loss."

And, Mr. Hood pointed out, in most standard automobile policies there is an additional provision that where insured is using another automobile temporarily in place of his insured vehicle the coverage afforded by the policy "shall be excess insurance over any other valid and collectible insurance."

Some early cases dealing with such overlapping coverages and some fairly recent cases in some jurisdictions have held that even though the insurers may have equal responsibility and liability under their respective policies, the one who defended the case and paid the settlement or judgment had no right of action against the other insurer for contribution because it was a "volunteer." Apparently holdings to this effect resulted from the construction placed upon clauses similar to the coinsurance clause quoted above in fire and other types of policies.

Mr. Hood said it is his view that such holdings are both equitably and legally

unsound and are antagonistic to sound public policy insofar as they are applicable to the casualty and automobile field of insurance.

He feels that it is evident that losses in the casualty field are often much more uncertain of exact determination and evaluation than they perhaps are in some other fields, such as in fire and surety losses, and for that reason, if for none other, deserve somewhat different treatment.

Assuming there is overlapping coverage, he said it seems obviously wrong that an insurer should be justly enriched by its arbitrary refusal to honor its responsibilities and obligations under its policies. Public policy favors settlement of claims and litigation. To hold that an insurer who settles a claim or judgment is a "volunteer" is, in his opinion, contrary to public policy. Further, the insurer most frequently finds itself in the position of having to choose to settle, to pay the entire amount of the settlement demand, or to expose itself to a greater liability at a later date.

It would seem, he concluded, that the company which has accepted its responsibility should be entitled to make a fair settlement without prejudice to its right of consideration or contribution from another who has not done so.

Says Muskegon City Cover Can't Be Placed With Agents' Associations

MUSKEGON—City commissioners have been advised by E. C. Farmer, city attorney, that they should rescind their action placing the municipal insurance with Muskegon Assn. of In-

surance Agents and Muskegon Assn. of Mutual Insurance Agents. Mr. Farmer said the commission should place the business with stipulated agencies because of the technical objection raised by Barney Hasper, local agent, not a member of either association, who obtained a ruling from Commissioner Navarre to the effect that neither association was licensed to sell insurance. Mr. Hasper is demanding that new bids be taken and that he be given a share of the business. Although the contracts technically are invalid, it has been a custom that such awards actually be written through named agents with the commissions going to the associations.

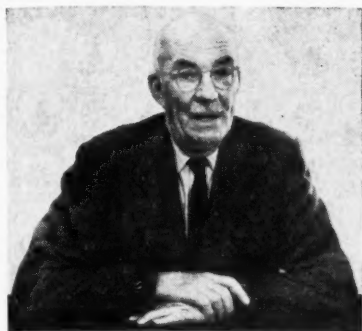
Hartford Fire Group Holds Cal. Regional Meetings

Packaged dwelling policies and multiple location fire risks credit plans were discussed at nine regional meetings of Hartford Fire representatives in southern California.

The meetings, attended by more than 500 members of the Hartford group, were conducted by Roy O. Elmore, resident manager for Hartford Fire at Los Angeles and his staff.

The one-day sessions began with an historical sketch of developments of the dwelling policy since 1924, discussions of the comprehensive dwelling policy and home owners policies A, B and C and sales pointers pertaining to all these policies. The afternoon session included reviews of multiple location risk credit plans as published by Pacific Fire Rating Bureau as well as methods of application for production.

Frank T. Priest Jr., son of the senior partner in the Dulaney, Johnston & Priest agency of Wichita, has joined the firm as a solicitor. Gordon E. Hoyt has been named office manager. He has been with Western Adjustment for six years at Wichita. Mr. Priest for two years has been with Aetna Life.



MURRAY D. LINCOLN,
President, Nationwide Insurance, speaks
for the policyholders

This is a big day in my life

When our policyholders asked me to tell you about our new name, and the reasons behind it, it meant that they wanted the idea which we had worked on together for about half a life-time to be offered to people everywhere.

The idea that couldn't stop growing

It was 29 years ago that a group of Ohio farmers conceived the idea that people working together could solve their own problems. At that time our

need was for low-cost auto insurance. With borrowed money we started our own company, Farm Bureau Mutual Automobile Insurance Company.

It won't work, experts warned us. But the idea did work. Auto rates for Ohio farmers insured with us dropped as much as 40%. By working together, we had helped ourselves.

We applied the same idea to fire and to life insurance. Word got around. City people asked to join our group. Our neighbors in West Virginia invited us in. Then Maryland, Delaware, Vermont and North Carolina.

Today, our original handful of policyholders has grown to more than two million people in 13 states.

1955 — year of decision

Most of these people like our way of doing business and those who have moved out of our area write back to ask why they can't buy our insurance in their states.

But in some of these other states there are already "Farm Bureau" companies. "Then why not," asked our Advisory Committee of Policyholders, "change our name so that we can operate nationwide?"

We take their advice

Well, we took that advice—like we've taken the advice of our Policyholder

Advisory Committee before. For example, they were the ones who suggested the bridal policy that may be used to pay wedding expenses. They passed approval on "package" policies which provide protection for the whole family . . . and the budget plan to ease premium payments.

Now our Policyholder Advisory Committee has helped us make the decision that the idea of people working together shall not stop growing. The Committee has approved our becoming Nationwide in name just as for years we have been nationwide in our claims service.

So today the name Farm Bureau Insurance is changed to Nationwide Insurance.

I believe it's a wise decision. I hope you agree. Please write direct to me and tell me how you feel about it. Meanwhile, let me give you my personal guarantee that Nationwide Insurance will never forget the people who made it possible, never change from its original idea of people working together to serve their common needs.

Under our new name everyone will get the same benefits they now enjoy under our present insurance policies. And at the same time we are now working on new kinds of policies which many of our policyholders have asked

for. Your Nationwide representative will be the same straight-from-the-shoulder advisor you've learned to count on. The big difference is that every one of our policyholders will have a stake in a business that is continuing to expand its sales service, state-by-state, until it becomes Nationwide.

An invitation to you

I've always held the idea that when you really want to find out the answers to people's needs, just go ask the people. That's why we have the Policyholder Advisory Committees. Representative policyholders are chosen by our agents in more than 300 districts. These policyholders then elect representatives to a regional and then a Company-wide Advisory Committee which meets annually in Columbus. Here our policyholders tell us what their real needs are and suggest ways for us to fulfill those needs. If you'd like to participate in one of these meetings—or if you're not already a policyholder and think this is the kind of company you'd like to deal with—just call your Nationwide representative. A warm welcome awaits you!

INSURANCE

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N. C. Investigating Reports Insurers Cancelling Beach EC

Deputy Commissioner Duncan of North Carolina has been directed by Commissioner Gold to investigate complaints that some insurers are cancelling extended coverage on southeastern beach property because of heavy hurricane damages.

Gov. Hodges requested Mr. Gold to look into the matter but believes the cancellations are not widespread. Mr. Gold said he has not yet determined whether any policies were cancelled while Hurricanes Connie and Diane were on the way. A question of ethics would be involved if a company did cancel under such circumstances, he said.

North Carolina Assn. of Mutual Insurance Agents wrote Mr. Gold recommending an emergency increase in EC rates, a separate rating zone for EC on property east of the inland waterway, feasibility of including water damage in EC and requirement of hurricane proof construction in building codes of coastal communities.

The letter said it is only reasonable to expect that unless adequate rates are provided and proper protection measures instituted, the market for EC insurance on coastal property will continue to shrink.

Wash. Parley Set for Sept. 26

Sept. 26 has been set as the date for the fall session of the Washington advisory committee with the fire contact committees of the Washington Assn. of Insurance Agents, Washington Fire Underwriters and the Inland Empire Fire Underwriters Assn. L. W. Nigge-man, vice-president of Fireman's Fund,

is chairman of the company advisory group.

In addition, the advisory committee will consult with officials of the rating bureau, examining bureau and the attorney for the standard companies in Washington.

Insurance Professors Tour Chicago Insurance Offices

Three insurance professors were guests last week in Chicago of the stock fire companies. They were given a look at nearly all the phases of organization fire insurance in Chicago with Western Underwriters Assn. acting as host.

The visitors were J. E. Mittelman of the University of Kansas City, H. Wayne Snider, Illinois Wesleyan University and C. Arthur Williams of University of Minnesota. They visited the western departments of fire companies, Factory Association, Assn. of Casualty & Surety Companies, the fire patrol, Underwriters Salvage, Western Adjustment, Cook County Inspection Bureau, and Underwriters Laboratories, and were guests at a dinner at the Union League Club.

Great American Names Carlson, Joel in Ohio

John J. McKinley, special agent in northwestern Ohio for Great American group, has gone into the local agency business at Chicago and is succeeded in the field by Magnus J. Carlson, special agent.

Robert L. Joel has been named special agent at Columbus to succeed John F. Heller Jr., who has resigned.

Mr. Carlson started with Great American in 1952 after army service and after service with Michigan Inspection Bureau. He has had engineering experience at Chicago and in the field at St. Louis. His new headquarters will be in the Manhattan building, Toledo.

Mr. Joel has been at the Chicago office of Great American since graduation from Wabash College. His headquarters will be at 50 West Broad Street, Columbus.

Nashville Agencies Merge

Dominion Agency, Insurance Inc. and Tri-State Agency of Nashville, which specialize in the trucking field, have consolidated, but will retain their identity. B. Warren Fuson, former part owner and manager of Dominion and Insurance Inc., is general manager and part owner of the consolidated operations. Offices of Insurance Inc. and Tri-State are being established

with Dominion at 929 Church Street. Slater Brown, general agent for Equitable Life of Iowa, one of the owners, was elected president of Dominion agency.

Boulder Agents Give to Courteous Driver of Month

Boulder, Colo., Insurors is sponsoring a safe-driving project under which each month a most courteous driver is chosen and is given a \$25 defense bond and a certificate of appreciation. The association will continue the project for the next six months at least.

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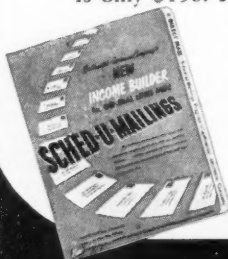
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Convention Dates

- Aug. 17-20, Federation of Insurance Counsel, annual, Sheraton Park hotel, Washington, D. C.
- Aug. 21, American Bar Assn. insurance law section, annual, Philadelphia.
- Aug. 22-23, South Dakota Assn. of Insurance Agents, annual, Rapid City.
- Sept. 5-7, International Federation of Commercial Travelers Insurance Organizations, annual, Sun Valley Lodge, Sun Valley, Ida.
- Sept. 8-9, Utah Assn. of Insurance Agents, annual, Ben Lomond Hotel, Ogden.
- Sept. 11-13, Pennsylvania Assn. of Insurance Agents, annual, William Penn hotel, Pittsburgh.
- Sept. 11-14, Idaho Assn. of Insurance Agents, annual, Sun Valley Lodge, Sun Valley.
- Sept. 12, Vermont Assn. of Insurance Agents, annual, Lake Morey Inn, Fairlee.
- Sept. 12-14, International Claim Assn., annual, Lake Placid Club, Lake Placid, New York.
- Sept. 12-14, Ohio Assn. of Insurance Agents, Sheraton-Gibson hotel, Cincinnati.
- Sept. 14-16, Illinois Assn. of Mutual Insurance Companies, annual, Pere Marquette hotel, Peoria.
- Sept. 14-16, Maine Assn. of Insurance Agents, annual, The Samoset, Rockland.
- Sept. 14-16, Michigan Assn. of Insurance Agents, annual, Pantlind hotel, Grand Rapids.
- Sept. 15-16, New Jersey Assn. of Insurance Agents, annual, Chalfonte-Haddon Hall, Atlantic City.
- Sept. 15-16, Minnesota Assn. of Insurance Agents, annual, Hotel Kahler, Rochester, Minn.
- Sept. 15-17, Louisiana Assn. of Mutual Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park, Miss.
- Sept. 15-17, Montana Assn. of Insurance Agents, annual, Northern hotel, Billings.
- Sept. 18-19, Insurance Federation of North Dakota, annual, Dakotah Hotel, Grand Forks.
- Sept. 18-20, Washington Assn. of Insurance Agents, annual, Leopold and Bellingham hotels, Bellingham.
- Sept. 19-20, Minnesota Assn. of Mutual Insurance Agents, annual, Leamington hotel, Minneapolis.
- Sept. 19-21, New Hampshire Assn. of Insurance Agents, annual, Wentworth-by-the-Sea hotel, Portsmouth.
- Sept. 20, North Dakota Assn. of Insurance Agents, annual, Dakotah Hotel, Grand Forks.
- Sept. 20-21, South Carolina Assn. of Insurance Agents, annual, Columbia hotel, Columbia.
- Sept. 20-23, Mutual Loss Managers Conference, Chicago.
- Sept. 23-23, Oregon Assn. of Insurance Agents, annual, Multnomah hotel, Portland.
- Sept. 25-27, Kentucky Assn. of Mutual Insurance Agents, annual, Kentucky hotel, Louisville.
- Sept. 26-27, Mutual Agents of New England, Hotel Somerset, Boston.
- Sept. 26-28, Bureau of Accident & Health Underwriters, annual, Mount Washington hotel, Bretton Woods, N. H.
- Sept. 28-30, Society of Chartered Property & Casualty Underwriters, annual, Fairmont hotel, San Francisco.
- Sept. 29-Oct. 1, Nevada Assn. of Insurance Agents, annual, Sahara hotel, Las Vegas.
- Oct. 2-5, National Assn. of Casualty & Surety Agents, annual, The Greenbrier, White Sulphur Springs, W. Va.
- Oct. 3-6, National Assn. of Insurance Agents, annual, Statler and Biltmore hotels, Los Angeles.
- Oct. 3-6, California Assn. of Insurance Agents, annual, Biltmore and Statler hotels, Los Angeles.
- Oct. 9-12, Conference of Mutual Casualty Companies, Jefferson hotel, St. Louis.
- Oct. 9-13, National Assn. of Mutual Insurance Companies, annual, Jefferson hotel, St. Louis.
- Oct. 10-12, Federation of Mutual Fire Insurance Companies, Jefferson hotel, St. Louis.
- Oct. 16-18, Maryland Assn. of Insurance Agents, annual, Fort Cumberland hotel, Cumberland.
- Oct. 17, Rhode Island Assn. of Insurance Agents, annual, Sheraton-Baltimore hotel, Providence.
- Oct. 17-19, National Assn. of Mutual Insurance Agents, annual, Netherland Plaza hotel, Cincinnati.
- Oct. 17-19, Western Underwriters Assn., annual, Greenbrier hotel, White Sulphur Springs, W. Va.
- Oct. 17-19, Wisconsin Assn. of Insurance Agents, annual, Hotel Schroeder, Milwaukee.
- Oct. 21-22, New Mexico Assn. of Insurance Agents, annual, La Fonda hotel, Santa Fe.
- Oct. 23-25, Arizona Assn. of Insurance Agents, annual, Westward Ho hotel, Phoenix.



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COMMENTS - TRENDS - OBSERVATIONS

Field Man of Years Ago Lived a Rugged, Independent Business Life

By HOWARD J. BURRIDGE

Perhaps it may be of some interest to past and present field men, and possibly others, for me to set down my impressions of the fire insurance field man of 35 to 40 years ago who operated in 17 midwestern states, roughly from North Dakota to Oklahoma and from Nebraska to Ohio. These impressions were formed from about 1915 to 1920 when I was on the road most of the time on trips that lasted from three to four months, and which put me in daily contact with both field men and agents.

For the most part I was at that time correcting the information for and selling our handbooks or state insurance directories, as well as such other publications as we were then producing. In this work I found the field man to be very helpful in providing me with business leads; giving me the names of new agents or telling me about agencies being consolidated or going out of business; which towns or areas were prospering and which, for the time being at least, were "dead." As a consequence of this regular and continuing association, I was in a position to understand and appraise the nature of the field man's work of that day, and because those were my formative years, I have retained a clear recollection of it ever since.

Going back to 35 or 40 years ago, it can be said first of all that there were not nearly so many field men or companies as at the present time. The usual arrangement was one state agent. Sometimes he had a special agent as an assistant, but this was true only of the larger companies. Certainly in the somewhat smaller states there was usually only one field man for each company, and usually he had the title of state agent. At that time there was no such thing as a state divided into various sections or areas with, say, three or four men each having the title of state agent but traveling only within a designated section of the state as is the case frequently today. Then as now the number of field men depended upon the company's premiums from the state, and with this as the controlling factor it was common for many companies to have only one man in a field.

The average age of the field men of those years was higher than it is today. At that time there was not the rapid advancement from the field to the home office or the western department as is so common today. It was more customary for a field man to make a career of it; to go into the field in his late 20s or early 30s and to stay with it until retirement. That is why there were so many "grand old men" in such a large number of the midwestern

states. They were strong characters, honored and respected because of their lengthy service and understanding of the business and its problems. Actually, they took on something of the rank of officers in the minds of most of those who dealt with them regularly and knew of their abilities. At least a part of what they did in the way of representing their companies is now a function of those in home offices or western departments.

It is easy to recall that they had greater responsibility and it could be said that within their territories "the field man was the company." They had a great deal of underwriting authority and were permitted to exercise their judgment quite widely in accepting lines, making agency arrangements and in many miscellaneous ways committing the company. They were regarded as being "out in the territory," removed from home office consultations, on their own, and so under the necessity of making their own decisions. Transportation was difficult by comparison with today's facilities, which made the distances seem greater. Such field men, with 20 or 25 years experience, and with almost a business lifetime of carrying responsibilities, were deciding matters of company policy that are now determined only in home offices or regional departments. It could even be said that a fair portion of the underwriting being done by these men at that time is now handled only in company headquarters.

The field man of the midwest came into greater prominence and attracted more attention nationally during the period being reviewed than at any other time before or since. This was principally because the Fire Underwriters Assn. of the Northwest, which has been non-existent for many years, was then at the top of its power and influence. Its annual meetings were held every fall at the LaSalle Hotel in Chicago preceded by the Grand Nest of the Blue Goose.

This dual gathering resulted in hundreds of midwestern field men gathering in Chicago, fraternizing, reminiscing and log-rolling and electioneering for their candidates for the various offices in the two organizations. Their friendships and associations extended through many states. Those elected to office were widely publicized and their stature increased. They became at least minor national figures. Whether for better or worse, it is certainly true that the field man of the midwest was never so prominently featured as during the best years of the old Northwest Association.

It was well after 1915 that the fire companies began to launch casualty

affiliates in a serious and determined way. The formation of casualty running mates had its greatest impetus in the 1920s, which means that the field man of the time of which I am speaking was almost exclusively a fire and wind-storm man. He found the business to be uncomplicated as compared with today. There were few special business pools such as Underwriters Grain Assn., Oil Insurance Assns. and all of the others that have come into being. Rates, rules and forms were relatively simple, changes did not occur with present day frequency, and so there was not nearly so much for the field men to learn, to retain and to study as is required today.

In those days field men traveled on trains, the now vanished interurbans and busses. The use of automobiles by field men was just in its beginning.

Most of them had to regulate their traveling in accordance with the established train and interurban schedules, and there were many midwestern states in which the interurban did not have very much of a place in the transportation picture. Ohio and Indiana were the most highly developed so far as interurban service was concerned, but in other states trains ran infrequently, and so a field man's visit to a town became much more of an event. The field man was not able to hop in and out of the towns in his territory as is possible today in an automobile.

These conditions resulted in longer and perhaps more intimate and friendly visits. The field man of that period frequently had dinner at an agent's home, became acquainted with the agent's wife and children, helped

(CONTINUED ON PAGE 27)

Today's Field Man Better Trained to Meet Modern Tempo and Diversity

In order to balance Mr. Burridge's observations on the old-time field men, The National Underwriter presents herewith the views of a prominent organization executive in the midwest on the place of the field man today.

A comparison of the midwest fire field man of 1955 with his predecessor of 40 years ago is neither fitting nor possible, but in at least two respects a similarity exists—freedom of action and gregariousness.

Freedom of action or "the company in his territory" still describes state managers, a title which fortunately is rapidly superseding the ill-chosen and misleading term, "state agent." Perhaps his authority seems limited in relation to that of his 1915 antecedent. If so, it is less likely because of any designed curtailment by the company and more because modern transportation and communication have placed the home office at every agent's doorstep. But by and large, the average midwestern agent continues to depend upon his field men for advice and authorizations.

To merit this confidence, the field man must have a background of training never envisioned 40 years ago. To send an untrained man into the field today is unthinkable. Yet this practice was not unusual a generation or so ago.

A basic knowledge of fire, tornado and hail insurance in its simplest form is only a primary requisite. Time element coverages in all their complex phases and inland marine and package policies are but a few of the wares with which an agent must be thoroughly familiar, if he is to be successful.

But types of coverage to be learned are only a small part of the story. A more than speaking acquaintance with the Dean Schedule is essential. What credit will be allowed in the rate for

watchman service? How much will a frame addition to a brick building increase the insurance cost? What view do underwriters take of some modernistic building ideas? A well-equipped field man will have the answer to these questions.

The agent of 40 years ago had to be familiar with only a limited number of industrial processes while today's field man is faced with a wide diversification of factories, each with its own peculiar fire hazards and insurance requirements. He must be sufficiently informed to talk intelligently to manufacturers of products ranging from plastic steering wheels to breakfast food shot from guns.

He must carry in his mind a reasonably accurate knowledge of the different mark-ups used by retailers for a wide variety of commodities in order to make a proper presentation of business interruption insurance.

The current outburst of competition among companies resulting in various gimmicks and frills has required the 1955 fire field man to open another file in his brain. In this he carries a detailed outline of the particular forms and policies offered by his company and why they are superior to those of competitors.

He also needs at least a smattering of casualty insurance plus an intimate understanding of the law of negligence and the workmen's compensation act in his state.

Naturally, he doesn't gain this complex education from a cursory review of company and bureau manuals. Many of his leisure hours must be devoted to the study of policies and

(CONTINUED ON PAGE 27)

John T. Carroll, supervisor of the bond file room of Hartford Accident, has retired after 28 years of service.



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American Atlas Takes Over Another Insurer

American Atlas Corp. of Dallas, which only two weeks ago bought La Salle Casualty of Chicago and last week bought Southern Bankers Life, has acquired a 60% interest in All American Home Lloyds of Austin and has moved the latter's home office to Dallas.

James H. Alridge is attorney-in-fact of All American Home Lloyds which previously had absorbed Central Texas Lloyds of Fort Worth. He will continue in charge of the company. He organized All American Home Lloyds in 1953. His insurance career dates back to 1923 when he started with Fireman's Fund in Atlanta. He has had experience in general and local agencies and as an adjuster.

Hubert E. Ross has been elected a vice-president of American Atlas Corp. and actuarial vice-president of La Salle Casualty and casualty actuary of All American Home Lloyds. Mr. Ross has been president of Home Service Casualty of Texas and before that was vice-president and assistant general manager of Home Life & Accident and Home Service Lloyds & Trans-County Mutual of Texas.

Kahler Heads Wharton Insurance Department

University of Pennsylvania's Wharton School has named Dr. Clyde M. Kahler chairman of the insurance department succeeding Dr. Clarence A. Kulp who is taking office as dean of Wharton School.

Dr. Kahler, who has served as vice-dean in charge of faculty personnel and budgetary matters since 1953, is a professor of insurance for administration and former president of American Assn. of University Teachers of Insurance.

Sparks and Fussell Retire from Camden

Wilbur L. Sparks, claims secretary, and Clayton M. Fussell, assistant secretary of Camden Fire, have retired. Thomas J. Howarth, claims assistant secretary, succeeds Mr. Sparks and Ralph W. Toole, formerly manager at Philadelphia, will manage the eastern underwriting department succeeding Mr. Fussell.

Mr. Sparks has been with Camden since 1912 when he started as a clerk in the home office. Mr. Fussell started as a mapper in the underwriting department in 1915.

Charter Life Affiliate of St. Paul A&H Insurer

St. Paul Life & Casualty has been chartered in Minnesota as an affiliate of St. Paul Hospital & Casualty. It will offer limited amounts of life insurance on individuals. Mrs. Molly M. Imm, president of St. Paul Hospital & Casualty, is president also of St. Paul Life & Casualty. Russell Gessell is vice-president and Donald B. Smith is secretary-treasurer. The officers have been designated general agents for Wisconsin Life in Minnesota, Wisconsin, Iowa and North Dakota.

Fireman's Fund Appeal Denied

Fireman's Fund Indemnity has filed brief with FTC, in support of its appeal, after denial by a hearing examiner of its motion to dismiss a complaint issued against it.

Conference of New England Insurance Women will be held Sept. 16-18 at Mayflower Hotel, Plymouth, Mass. Registrations are being handled by Miss Lillian Oliveira, in care of Maury Kusnitz, 19 Purchase Street, Fall River, Mass.

Aetna Fire Opens New Hartford Branch

Aetna Fire group has opened a new branch office at 650 Main Street, Hartford, with complete underwriting, claims and field facilities. Field men will be supervised by C. B. Austin, manager of the fire division, E. F. Shaw superintendent of marine, and J. B. Tanner, casualty manager. Special Agents J. C. Johnson and C. R. Fraser have been added to the staff, which includes Special Agents R. E. Cole, C. G. Newell and H. L. Ellingwood.

Mr. Austin, with the group since 1918, has been in charge of Connecticut since 1950. Mr. Shaw joined the group in 1930 and has been superintendent for Connecticut since last March. Mr. Tanner, who joined Century Indemnity in 1927 as a claims adjuster, became casualty field manager for Connecticut in 1950. Mr. Johnson, with the group since 1949, returned to the home office in August from the Texas field. He has been with Century Indemnity since 1950 in New York and Ohio.

American Names Keany N. E. Field Supervisor

American has named T. Walter Keany field supervisor for New England.

He has been in the field for the company 27 years.

Mr. Keany is past president of the Bay State Club, former chairman of the executive committee of the old New England insurance exchange and past president of Bay State Fire Prevention Assn. He is also an instructor for Insurance Library of Boston specializing in courses on business interruption insurance.

Wrecking Job Held Up by Insurance Premium

Completion of the demolition of Odd Fellows building in Madison, Wis., was held up last week while the wrecking company attempted to get an insurance premium it felt was satisfactory. The building collapsed early last week into a basement excavation adjoining it. Workers in the excavation were not hurt.

Two-thirds of the building collapsed and the remaining third is in a shaky condition to the point where it is feared it will fall down by itself. The wrecking company asked to complete the razing is required to carry insurance, but the premium on this job is higher than on most.

Flood Heads Contact Group in Mountain States

Barney Flood, Greeley, Colo., has been elected chairman of the Rocky Mountain Territorial Conference contact committee. Other members are: New Mexico, Jerry Haggard, Albuquerque (state chairman); Eugene Springer, Roswell, and Robert Bronson, Albuquerque. Wyoming, Henry Paul, Cheyenne (state chairman), R. H. Whitfield, Torrington, and A. G. Tweed, Casper. Colorado, Charles Schoelvel, Denver (state chairman), and John Mergen, Denver.

The committee will meet Oct. 10 with Western Underwriters Assn. advisory committee for the Rocky Mountain area.

C.&F. Names McGlone at Denver

Robert J. McGlone has been appointed casualty and bonding superintendent of Crum & Forster in the Rocky Mountain territory with headquarters at Denver.

Insurance Brokers Exchange of California has scheduled its annual golf outing for Sept. 8 at Presidio Golf Club, San Francisco.

July Traffic Death Toll Highest Since 1937

Traffic deaths during July totaled 3,340 for the highest death toll of any July since 1937, according to a report by National Safety Council.

July deaths showed an increase of 11% over the same month in 1954. The month was the fifth consecutive one this year to show an increase in traffic deaths over the corresponding month of 1954.

Deaths for the seven-month period totaled 19,840 for a 4% increase over the same period in 1954.

Travel figures for the first six months of the year show a 7% mileage increase while traffic deaths increased 2% for a mileage death rate of 5.7 deaths per 100 million vehicle miles.

New Hampshire Has Premium Increase

Premiums written by New Hampshire group in the first six months of 1955 were \$447,396 ahead of the same period last year, totaling \$12 million. Losses incurred were higher than usual, due in part to late reporting of additional hurricane claims in excess of \$425,000. This produces a statutory underwriting loss of \$380,000.

Investment values increased \$1,555,000 and surplus at June 30 was \$22,428,383, a record high.

President Lester S. Harvey reported that during the six months windstorm liability and reinsurance agreements have been examined to the point where interests of policyholders and stockholders are properly safeguarded.

Minn. Federation to Meet

Principal speaker at the annual meeting of Insurance Federation of Minnesota at St. Paul Sept. 8 will be Clark C. Vogel of the atomic energy commission. His subject will be "The Role of Insurance in the Development of an Atomic Energy Industry."

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Eliminate WC Safety, Expense Factors in Cal.

LOS ANGELES—Commissioner McConnell of California has promulgated a ruling in connection with the petition of California Inspection Rating bureau for amendment and revision of rules, classifications and rates on workmen's compensation insurance.

The ruling covers elimination of the 1% safety factor and the mandatory expense constant factor as recommended by the bureau.

No WC insurance may be written without the 1% safety factor, however, unless policy endorsement forms have been submitted to the bureau for examination and approved by the commissioner.

In discontinuing the expense constant, the commissioner notes that it is done without prejudice to any subsequent consideration of the subject.

New Standard Reliance Officers Are Elected

J. D. Trombla has been elected executive vice-president of Standard Reliance of Lincoln, and W. E. Haydon has been named vice-president in charge of claims. Hubert R. Mann has been elected secretary, and Dora Witte assistant secretary. O. D. Trombla continues as president.

The elections were necessitated by the recent death of Wayne C. Farmer, secretary of Standard Reliance.

Parker Is Promoted by American Surety

American Surety has promoted Harry L. Parker to superintendent of casualty at New Orleans. He joined the company in 1953 and became a casualty underwriter late that year.

Raps Insurance Cut

Commissioner Smith of Pennsylvania has accused the Republican policy committee of the senate of engaging in "cheap political hypocrisy" in proposing a cut of \$125,000 in the insurance department's appropriation for the next biennium.

Local Wash. Agents Elect

Snohomish (Wash.) County Assn. of Insurance Agents has elected Arthur W. Green of Everett president to succeed Alfred Tunem.

Other new officers are Walter T. Higgins, vice-president; A. J. Rae, re-elected secretary, and Alvin Petershagen, treasurer.

Give Dinner for Hunt

American-Associated companies gave a dinner for Clarence M. Hunt of C. M. Hunt & Co., Nashville, in honor of his representing the group for 40 years.

Vice-president Edgar F. Gieck was host.

New NFPA Sprinkler Booklet Out

A 1955 revised fire safety standard for installation of automatic sprinkler systems has been published by the National Fire Protection Assn. It was officially adopted by action of the NFPA board following authorization given by the membership at its annual meeting last spring in Cincinnati.

Plan Insurance Chair in Colo.

A research committee of Colorado Insurers Assn. has been appointed to investigate requirements for an endowment of an insurance chair at one of the universities or colleges in Colorado.

Region VI of National Association of Insurance Women will hold its annual convention at the Statler-Hilton Hotel, Dallas, March 9-11. Delegates from 34 clubs in Arkansas, Louisiana, Oklahoma and Texas will attend the meeting.

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THE NORWICH SUN
Thursday, July 14, 1955

The John C. Stott Agency Inc. is celebrating its 25th anniversary.

Today clients of the company received a brochure which is dedicated to them. This booklet states, "This brochure is dedicated to the thousands of clients who have permitted us to serve them. It was prepared so they may better know us and thereby we may better serve them."

"We are celebrating our 25th anniversary. Through the years, we have grown from a small one-man agency to become one of the largest insurance agencies in Central New York. This tremendous growth has been due to public acceptance of the service which we

have been able to offer to our clients during the past quarter of a century."

John C. Stott is nationally recognized. He is past president of the New York State Agents Association and the National Association of Insurance Agents. In 1949 he was named insurance man of the year, and received the general brokers gold medal award for most meritorious service to the insurance industry.

Mr. Stott is a member of the New York State Insurance Board, appointed by the governor. He is chairman of the Public Relations committee of the national association.

For more information contact the Production and Market
Research Dept., Royal-Liverpool Insurance Group,
150 William St., New York 38, N. Y.

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Business Week—Sept. 10

Nation's Business—Sept.

U. S. News & World Report—Sept. 23

Better Homes and Gardens—Oct.

American Home—Oct.

Town Journal—Sept.

Seminar Program for CPCU Society's Annual Completed

The seminar program of the annual meeting of Society of Chartered Property & Casualty Underwriters, Sept. 27-30, at San Francisco has been completed, according to Howard L. Martin, dean of insurance of Golden Gate College, San Francisco, seminar committee chairman.

The Chicago chapter will present a seminar entitled "Will Better Selling Methods Improve our Service to the Public?" Participating will be William T. McElveen, account executive of Wineman Brothers; Franklin R. Mile, assistant vice-president of W. A. Alexander & Co.; Albert M. Devroye, secretary of Millers National; Manuel H. Donchin, president of Donchin-Hecht & Co.; Gerald E. Myers, broker, W. A. Alexander & Co., and William H. Rodda, secretary of Transportation Insurance Rating Bureau, all of Chicago.

Garret W. Roerink of American, Jason Crain, Cleveland insurance consultant, and A. Leslie Leonard of Insurance Society of New York will present a seminar on electronics and insurance.

Another on application of guest statutes, a project of the St. Louis chapter, will be held with the following taking part: John O. Felker, president of Laclede agency; Robert J. Braums, superintendent of the bodily injury division of American-Associated; Cliff H. Rasmussen, division manager of General of Seattle, and C. Donald Ainsworth, broker, Insurers Service Corp., all of St. Louis.

Henry K. Duke, Cumberland, Md., local agent, will chair a limited seminar on a constructively critical examination of current method and philosophy of property insurance rating. Northern California and Rocky Mountain chapters will debate on "It Is Resolved that Mass Production Techniques in Personal Lines are Compatible with Professional Service."

Seminars on atomic energy and insurance, organized by Claude H. Rice, insurance manager of Babcock & Wilcox of New York and Mr. Leonard, and the problems of care, custody and control, to be presented by Pacific chapter, are also scheduled.

Prepare for Ill. Awards

Local boards in Illinois are being reminded to submit their entries by Oct. 15 for the achievement award which is presented annually by Maryland Casualty. The award is given for such activities as education, legislation, traffic safety, accident prevention, fire prevention, public relations, attendance at board meetings, membership, etc. Judges this year are John P. Keever, resident vice-president of Maryland Casualty, Charles C. Clarke, editor of Insurance Exchange Magazine, and E. O. Stoffels, Chicago class one agent.

The award will be given at the annual meeting of the Illinois association in Chicago Nov. 27-29.

Can Extend War Risk Binders

Maritime administration in Washington has reported that all war risk binders may be extended for a period of two years by payment by binder holders of 50% of the fee originally paid. Ships of the U. S. merchant marine and certain foreign-flag vessels which have not been covered by this form of insurance may still apply. New applicants, however, will be required to pay full binder fees. Applications for binders or renewals may be obtained from American War Risk Agency, 99 John Street, New York City.

Jenks Is Columbus Manager for American Surety; Kellett Upped

American Surety has named Maurice L. Jenks manager and Edwin M. Kellett assistant manager at Columbus.

Mr. Jenks joined the company in 1930 at the home office, transferred to Cleveland as an underwriter in 1932 and went to Boston as a special agent in 1935. He was appointed assistant manager at Boston in 1943.

Mr. Kellett, who has been special agent at Columbus since 1953, joined the company at Newark in 1932. After serving as a loss preventative representative in various branches, he was named casualty underwriter in the home office.

Fire Association Group Premiums Up for First Six Months

Fire Association and its affiliates, Reliance and Eureka Casualty, report a consolidated statutory underwriting profit of \$43,996 for the first six months of this year after providing for an increase in unearned premium reserve of \$861,028. This compares with an underwriting profit of \$422,899 for the same period in 1954.

Premiums totaled \$23,129,140, an increase of 2.7%, consolidated net investment income amounted to \$1,402,847, compared with \$1,286,570 and policyholders' surplus increased by \$3,334,940 to a total of \$44,484,969.

Jones Fails to Purchase Control of Midland Mutual

Frederick E. Jones, president of Buckeye Union Group of Columbus, was unsuccessful last week in an attempt to purchase control of Midland Mutual Life of Columbus. Mr. Jones, who is president of Ohio State Life, had obtained approval from directors of Ohio State to offer \$1,000 a share for the 3,000 shares of Midland Mutual stock. He was combatting a Midland management plan to mutualize stockholders \$200 a share, the limit it the company, with Midland to pay its is allowed to pay under the charter.

At a meeting of Midland stockholders Friday, the vote was 1,787 to 525 in favor of mutualization, but the indications are strong that the matter will be taken to court.

Form New Ala. Insurer

Mutual Savings Fire & Auto Ins. Co. has been organized at Montgomery, Ala., with a capital of \$575,000. E. E. Hale is acting president and directors are Mr. Hale, Miss Addie Lee Farish of Montgomery, Mark Hodo of Birmingham, Reddus Collier of Decatur and Troy Brannon of Brewton.

The company is planning to have 300 producers throughout the state, including personnel of Mutual Savings Life of Decatur, Alabama Forests Products Assn. and Alabama Motorists Assn.

WC Called Employers' Law

Minnesota's workmen's compensation law "has become more and more an employers' law," according to Robert Hess, president of Minnesota CIO.

In an address at the summer meeting of the Minnesota Safety council at Duluth, he said the law has not kept pace with changing conditions and that premiums have dropped while benefits have not kept up with wage rates.

Several insurance men attended the meeting at which Gov. Orville Freeman urged that auto makers pay more attention to safety and less to style and color.

Fireman's Fund Sets Six-Month Record

Fireman's Fund group reported a gain in premium volume for the six months ended June 30, with writings reaching a new high of \$102,052,000, compared with \$96,061,000 for the corresponding period last year.

Earnings per share after adjustment to eliminate realized and unrealized capital gain or loss in the investment portfolio (but including equity in increase in unearned premium reserve at 35%) were recorded at \$2.47, as against \$2.94 in the first half of last year.

President James F. Crafts pointed out that underwriting results for the period were not as satisfactory as those recorded last year. He said the reduction in underwriting income was due primarily to unsatisfactory results in fire and allied lines which reflected unusually heavy spring windstorm and hail losses and an increase in the number and severity of fire claims.

The group's net underwriting gain was \$543,000 for the first six months as compared with \$5,804,000 in the same period last year. The consolidated statements of income showed an increase in reserve for unearned premiums of \$10,613,000 as compared with \$8,082,000. Net investment income was recorded at \$4,704,000 as compared with \$4,618,000.

The group reported assets of \$423,833,904, reserve for unearned premiums of \$160,448,679 and reserve for losses and loss expense of \$84,624,096. Cash totaled \$14,825,097; securities at market value totaled \$358,233,119. Shareholders' equity, on the 3 million shares outstanding as of June 30, with securities at market value and including 35% of the unearned premium reserve amounted to \$71.39 per share as against \$65.36 as of June 30, 1954.

Not Necessary to List Specified Locations under WC

In answer to a query by Greater New York Insurance Brokers Assn., Willard J. Gentile, assistant secretary of New York Compensation Insurance Rating Board, reported that insured who fails to list every specific location at which he operates within a state doesn't suffer the loss of coverage under the new workmen's compensation and employers liability policy.

This is the clear intent of the policy which is predicated on the principle of automatic statewide coverage, he wrote the association, whose members said they had doubts about the significance of the language of item 6 of the declaration portion of the policy because it "clearly required specific declaratory information about operations and locations of insured's business."

Doesn't Want Mandatory EC Deductible in Ind.

Anthony Cipares, manager of the Cipares agency at Michigan City, Ind., writes regarding the July 28 article on mandatory deductible extended coverage nationwide:

In my 25 years experience at writing and adjusting claims for my companies, the extended coverage claims were never higher than 30% in any one year. The average annual claim ratio is about 18%. I am sure that if it were lower, the insurance departments would reduce rates.

Last year's fire and EC business for three companies was as follows: 10%, 25.5% and 38%. Therefore, for the life of me, I cannot see why there is so

much gripe to get the mandatory deductible.

It would probably be a good thing for states that have cyclones, or windstorms, but in this area we definitely do not need the deductible. In fact, if we had \$50 deductible in this area we would not have any claims and henceforth would be out of work; however, I am still capable of working.

Phoenix-Conn. Group Reports at Half Year

The midyear statement of Phoenix-Connecticut group shows a surplus increase of \$784,566, making total surplus to policyholders \$109,572,693. The group had net written premiums in the first six months of \$40,028,979 as against \$37,590,434 in the preceding year. After losses incurred, loss expenses and underwriting expenses, the underwriting loss for the first half year is \$1,423,806 as contrasted with a gain of \$1,719,764 in 1954. Investment income was \$2,668,229 and gain from sale of securities \$939,527, producing an over-all gain before federal taxes of \$2,183,950 as against \$4,309,896 in 1954. Securities increased in value \$6,965,322.

As of June 30, the group shows assets reserve of \$73,268,950, loss reserve \$15,157,747.

Commenting on the results, President John A. North notes that premiums were up 6.3%, although fire decreased 5%. Casualty business was ahead 44%. Losses incurred were higher than usual, with fire loss experience particularly poor in the first three months, partly due to late reporting of some 10,000 additional hurricane claims from the preceding fall. Expenses were about even with last year. The total increase in surplus to policyholders was \$7,284,500, of which \$6½ million was allocated to the reserve for market fluctuation and \$784,500 was added to normal surplus. Book value of the stock as of June 30 was \$109.57, an increase of \$7.28 in the six month period.

FR Officials Urge Uniformity in Laws

A recommendation that individual state financial responsibility laws be modified to conform to the uniform code recommended by American Assn. of Motor Vehicle Administrators was made by officials of nine southeastern states at an FR workshop at Nashville.

The group also urged that financial responsibility forms which are exchanged between states be made uniform and that statutory changes be made to permit "full reciprocity and exchange of information" among the states in FR matters.

The administrators especially urged that insurers and others who request recertification of drivers cite some reason for the request, as for example a suspicion that a driver's eyes are failing. One official said that some insurers in the past have used recertification procedures as a means of getting bad risks.

He said they pick up a bad risk, maybe from the assigned risk pool, and then "just keep sending him back again for examinations. Sooner or later he's bound to flunk. In other words, they want us to do their work for them."

Insurers were asked to take steps to properly inform their agents and employees of the requirements of recertification and assigned risk insurance plans and the filing of proof of FR and all of the various forms and administrative procedures required by the FR statutes of the various states.

Kenneth F. Neu, field representative of AAMVA's region 3, presented the draft of the organization's proposed manual of administration.

The administrators also recommended that: state officials forward copies of reported court cases involving FR to the Washington office of AAMVA; FR and drivers' licensing functions be located in the same executive department in each state; a full exchange of

information be encouraged among state FR departments, insurers and the legal profession through the offices of AAMVA.

States represented at the meeting were those in region 2 of AAMVA which sponsored the session: Alabama, Arkansas, South Carolina, North Carolina, Georgia, Kentucky, Louisiana, Virginia and Tennessee. Ohio, not in the region, also sent a representative, while West Virginia, Florida, Indiana, Mississippi, Oklahoma, Texas and Puerto Rico were not represented.

Paper Company Charges Mutual Agents With Trademark Infringement

WASHINGTON—Champion Paper Co. has brought suit in district court here against National Assn. of Mutual Insurance Agents charging infringement on Champion's trademark and unfair competition.

Philip L. Baldwin, association executive secretary, said he sees no competition between the paper business and insurance and that the association's mounted warrior emblem was adopted in 1949. After that the paper company wrote, calling attention to an alleged similarity between its trademark and the association's emblem.

Mr. Baldwin reported the association's emblem distinctly states "mutual insurance" on the banner the warrior is holding. The horse stands on a block that reads "defender of select property owners" and the shield the warrior carries reads "agent and service" in the form of a cross. The banner of the paper company warrior reads "Champion papers," the warrior does not carry a shield and the horse is not mounted as though on a statue, he said.

Fidelity & Guaranty Joins Bureau

Fidelity & Guaranty Underwriters of Baltimore has been elected to membership in National Bureau of Casualty Underwriters, bringing the bureau's membership to 153 companies.

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EDITORIAL COMMENT

Availability of Agent to Customer

Journal of American Insurance comments:

Certainly there has been more talk in the past year or two about the necessity of the insurance producer's rendering a better and more personalized service to the policyholder than has been heard in corresponding periods of the past, and it can be assumed that more recent effort has been expended in this direction than always has been the case. In the meetings typical of the insurance business—in which insurance men warmly discuss their troubles with other insurance men—producers have told each other that lack of policyholder service has been losing accounts for them, and company executives have told them more of the same.

It is unusual to hear it suggested that perhaps the service rendered by the insurance producer is outstanding in an era when so many in other pursuits give little heed to such matters. Thus the editors are in debted to "Plain-

dealer" of the *Post Magazine* and *Insurance Monitor* of London for pointing out that the insurance man is very nearly unique in being "always ready to go to the customer."

The question he poses is this: In how many businesses and professions today is there readiness to go to the man who needs service? In Great Britain, at least, the sick man who can walk now goes to the physician, the physician does not come to him. The individual requiring a loan goes to the bank. The motorist needing repair service goes to the garage. The man who seeks legal advice goes to the solicitor's office, with the possible exception of the individual involved in a personal injury situation in certain areas. Where service is brought to the individual there usually is an extra charge, except in insurance. The public might understand the producer's position more clearly if this sort of explanation were offered.

The Next Time a Headline Annoys You

There are times when the insurance business must share with headline writers the difficulties they frequently encounter. The appearance of the initials ILI in a New York newspaper's headline served as a forcible reminder of these difficulties. It was not apparent at once that this was even an insurance abbreviation, but it turned out to be Institute of Life Insurance and would have proved unfamiliar even if it had appeared in an insurance news magazine. It represented the newspaper headline writer's own invention, contrived in a jiffy to get him out of trouble when there were only a few minutes left and no possible way of working the full name of the institute into the headline.

That about sums up the headline writers' problem—shortness of time and length of name. The other ingredient is an inflexible space limitation. There is no resilient type; it is metal, and the letters of the alphabet simply require a certain amount of width to get representation in any kind of type, but particularly headlines.

It is no wonder that editors appreciate short names about which there can be no misunderstanding. They appreciate NAIA, which is short and widely known. NOIE, however, won't work. Another way has to be found for treating New Orleans Insurance Exchange. AIA is not as familiar as NAIA

or even as old IEA (respectively American Insurance Assn., National Assn. of Insurance Agents and Insurance Executives Assn.), but AIA can be used in a pinch. NAIC is certainly handy, and it is within the limits of good practice to use National Board instead of National Board of Fire Underwriters without losing identity and confusing readers more than enlightening them.

Southeastern Underwriters Assn. is both famous and well known so that SEUA has a wide currency for most persons in the insurance business. EUA for Eastern Underwriters Assn. is also understandable, as is WUA and the foreshortened cognomen Pacific Board. However, there is no short cut for the headline writer when it comes to Middle Department Assn. of Fire Underwriters. It simply has not become well enough known countrywide to be identified for the Pacific coast or Texas reader by the initials MDAFU. However, New York Fire Insurance Rating Organization has been in the news enough lately to allow the use of NYFIRO.

Speaking of headline writing only, and without getting into personalities, editors are very fond of Home, the St. Paul is not at all bad, but Providence Washington is a tough one. Insurance company managements don't like to see their names abbreviated and bashed

around, and, needless to say, editors don't like to have to resort to that when the hour is late and the headline has to be written in 37 seconds. Some coverages are wonderful, such as BI and PDL, IM, and others that are widely enough known to be initialed without confusing the reader, at least the insurance reader. Business interruption unquestionably is a better name for that time element coverage than use and occupancy, but we doubt if U.&O. will ever completely disappear from the nomenclature of the insurance business, simply because U.&O. will fit in headlines, and BI cannot be used for business interruption since bodily injury was there first and has a substantially wider circulation.

People's names are probably as difficult as anything for headline writers. We don't think it had any effect on the last presidential election, but there is no doubt that Ike will get into headlines more frequently than Adlai because it is three instead of five letters long. Smith, Jones, Ross, Black, and all other four or five letter names will get an occasional representation in a headline, but Gonderwouk is going to have to be content with a mention down in the body of the story. He is not going to get a headline unless he falls off the Empire State building during a St. Patrick's Day parade—and maybe not even then.

We can, fervently, urge the patience of readers who do not get their name, that of their company or that of their organization into a headline. Especially do we recommend pity and patience when a headline is goofed. It is always the printer's fault anyway.

PERSONALS

John W. Lamble, president of North Star Re, is in England and Europe on a business trip.

John T. Ross, who has become associated with Ralph Carlsen, manager of the excess and surplus lines department of the New York office of Continental Casualty, entered the business in 1939 with North British. He worked in various departments and in 1946, became assistant supervisor of reinsurance for the group. In 1947 he



John T. Ross

went with Guy Carpenter & Co., handling facultative reinsurance in London. In 1950 Mr. Ross joined Excess Underwriters as executive assistant handling reinsurance excess and surplus business. He left there in 1953 to assist

in setting up a new organization handling similar business. In 1954 he joined a northern New Jersey general agency as office manager and chief underwriter, the post he held before he joined Continental Casualty.

J. A. Pollen, general manager of London Assurance, is in the United States for a visit to New York, west coast, and other offices until mid-September when he will return to England.

Thomas W. Earls of Cincinnati, president of National Assn. of Casualty & Surety Agents, added another golf honor to his list when he was low scorer in a recent tri-state match which was won by the Cincinnati team.

Miss Martha Maggini, daughter of G. B. Maggini, vice-president of Perkins & Goehagen agency of Cincinnati, has been awarded a fellowship for a year's study in France by Institute of International Education, with a Fulbright supplement. Miss Maggini graduated from the University of Cincinnati last June.

DEATHS

JOSEPH A. DENKSCHERZ, 50, secretary-comptroller of National Council on Compensation Insurance, died at a Mineola, N. Y., hospital. He joined the council in 1935 in Detroit and was manager of the Kansas and Colorado bureaus before going to New York in 1941. He was named secretary in 1945 and secretary-comptroller in 1950.

WILLIS J. HUTCHINS, 66, Irwin, Pa., local agent, died at a Greensburg, Pa., hospital. He was a past president of Westmoreland County Insurance Agents Assn.

JOSEPH A. TUFTS, 71, eastern Massachusetts state agent of Great American, died in Rockland, Me., hospital. He entered the business in 1911 with Easter Underwriters Inspection Bureau, became a special agent of Phoenix of London in 1915 and joined Great American in 1919.

C. R. CROZIER, 62, president of Michigan Surety, died of a heart attack at his home in East Lansing, Mich. Mr. Crozier joined the company in 1919 and has held the offices of secretary, treasurer and vice-president. He was elected president in 1947.

FRANCIS P. WHITE, 52, local agent at East Liverpool, O., for 31 years, died in a Youngstown hospital.

WILLIAM M. BYRNE, 91, one of the founders and chairman of the board of Lawton-Byrne-Bruner general agency at St. Louis, died of a heart disease and other infirmities at his summer home in Douglas, Mich. Mr. (CONTINUED ON PAGE 32)

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Total Disability Gets General Definition

(CONTINUED FROM PAGE 5)

event of total disability prior to age 60.

Some of the policies merely referred to total disability, while others defined the term in great detail. One policy provided the waiver of premiums if insured "becomes permanently unable to engage in any occupation or perform any work for any kind of compensation of financial value."

Insured had his own undertaking establishment in a small town. In 1936, his son came into the business with him. In 1939, he had the injury involved, resulting in fractured ribs and resultant hypertrophic arthritis. There was no question that insured could no longer do heavy physical labor.

After the accident, he more or less let the son run the undertaking establishment, but he purchased some farms which he ran until 1947 and then sold them for a profit. He was also a bank director and had other investments which he took care of. Insured drove his own automobile and went to California every winter. He continued to attend rotary, lodge and church meetings and do light work. He was primarily what could be defined as a retired businessman. The appellate court found that the preponderance of evidence under the general principles applicable indicated insured was totally disabled.

The court reached an opposite conclusion in *Moyle vs Mutual Life of New York*. Suit was brought by insured under three policies with Mutual Life to enforce payment of benefits and waiver of premium. Insured had been employed as a retail salesman of cigarettes, traveling and contacting retail outlets. He became division manager and not only engaged in retail sales, but supervised others engaged in like work.

He had been earning about \$4,000 a year with a bonus of about \$66 when, in 1933 he was injured in an accident which resulted in mutilation of his left hand. Insurer recognized total disability until about April of 1940, at which time benefits were discontinued, as was the waiver. After the accident, insured had gone to law school for four years, obtaining two degrees.

Upon returning to his home town, he engaged in various charitable work and in March of 1940 was named executive director of the local community chest as a paid official, at a salary of \$250 a month, which was later increased to \$300. He actively ran the campaigns for the community chest and its day-to-day operations during the year. He also performed other welfare work without compensation. The court noted the civic zeal and charitable nature of the work but stated that its problem was the determination of whether or not insured was totally disabled. It found that he had equipped himself to carry out successfully the performance of another occupation of comparable nature.

Mr. Muchemore said it was safe to conclude that courts and juries are more prone to decide that insured's inability to perform any proportion of his working duties is sufficient to constitute total disability. This is often found to be true even if insured is more than able to compensate for this lack by other facilities which he possesses.

He reviewed another case which raised the question as to whether or not death is considered a disability.

The case, brought before the supreme court of Montana, was *Aleksich vs Mutual Benefit H.&A.* The policy involved provided for disability benefits in the event of loss of time and for certain specific losses of limbs and sight. It had a maximum disability benefit of 24 months.

Insured died one hour after the injury and suit was brought to collect the full 24 months' disability benefits on the theory the death constituted total and permanent disability. Although the policy did not provide loss of life benefits, it had the usual standard provision, providing that notice of accidental death must be given immediately and the usual standard provision that indemnity for loss of life is payable to the beneficiary.

Aleksich argued strenuously that these provisions in the policy granted substance to the argument that the full disability benefits should be paid in the event of death. The court analyzed the question in some detail, reviewing a few other cases cited. In taking note of the decision in the case of *Hill vs Travelers*, it approved the statement by the court in that case that "the word disability does not express the same meaning as the word death."

The court went on to find that the various standard and additional provisions that did refer in some manner or other to loss of life did not constitute an agreement to pay benefits for death. In that particular case, the action was brought by the beneficiary and the court found, in addition, that the action was properly maintainable if at all, in the name of the estate.

Amazing as it may seem, another action was brought in federal court by the administratrix of the estate of the deceased insured, seeking recovery on a life expectancy basis. The court refused to allow such recovery following the decision laid down by the supreme court of Montana.

District court in Washington summed up the reasoning on this point very simply in the case of *Hinkley vs Penn Mutual Life*. Hinkley argued that disability continued after death and that insured was not able to work and that his condition was certainly permanent. The court cited the supreme court of Illinois in the case of *Ferguson vs Penn Mutual Life* in which the court stated "disability presupposes life. Death is the antithesis of life."

Mayor Refuses to Pay Premium, Faces Court

Mayor James G. Heffernan of Mechanicville, N. Y., has been ordered to appear in court to show why he should not be cited for contempt for refusing to obey a court directive that he follow his city council's wishes and sign a \$6,740 premium check, made out to Local Agent John W. Lynd, for city coverage.

The council had voted 4 to 1 to insure with Mr. Lynd. The mayor cast the negative vote on the ground no local company could handle the policy.

On Aug. 3 Justice Aulisi of the state supreme court ordered Mayor Heffernan to sign the premium check. The mayor has refused, saying he would appeal on the ground the policy was an inferior substitute to the one promised.

Massin With Peerless

Francis C. Massin has been named chief examiner of the fire and inland marine department of Peerless Casualty, succeeding Kenneth Coleman, who was named fire and inland marine special agent in New Hampshire and Vermont. Mr. Massin formerly was with Penn-Liberty, which merged with American Liberty in 1953.

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Insurers Still Assaying

Damage from N. E. Floods

(CONTINUED FROM PAGE 2)

business, can make flood cover available generally.

Sen. Lehman of New York would include drought and A bomb risks with flood in a government insurance program. He said that the bill he plans to introduce in the next session of Congress would not duplicate protection already provided by private insurers. This measure would also give the civil defense administration responsibility for coping with such catastrophes.

Factory Insurance Assn., though its coverage does not include flood, sent out adjusters and engineers to study plant conditions and see that partially damaged plants are properly protected against further loss. In many plants, protection services were impaired and a serious fire situation developed. Sprinkler and other fire protection systems of many plants hit by high water are being checked and repaired.

Connecticut Assn. of Insurance Agents called attention of New England Fire Insurance Rating Assn. to the inequities of insisting on short rate cancellation of policies covering property damaged beyond repair in the floods.

As a result, instructions have been sent to the Springfield, Hartford and Bridgeport stamping offices of the rating association to pass without criticism cancellation of policies on a pro rata basis that are made necessary because of flood damage.

Rating association officials pointed out that final decision on the treatment of cancellation of these policies rested with the fire insurers who had issued the policies. However, the agents believe it is inconceivable that any fire insurer would insist upon short rate cancellations at this time of critical need.

Members of the agents association are asked to mark plainly the cancellation of policies due to flood conditions with some such phrase as "cancelled pro rata due to flood damage."

The state association's officers asked members not affected by the flood disaster to offer any help they can to fellow members whose businesses have been hit. Several members have already offered the services of their offices to members in disaster areas.

David C. Colton, president of Colton agency, Westfield, Mass., has written THE NATIONAL UNDERWRITER that flood water caused damage there estimated at between \$8 and \$10 million a good deal of which was to manufacturing plants, mercantile establishments and a large residential area covered with water above the first floors.

The business district was not badly hurt outside of some water in basements. Between 2,000 and 2,500 oil burners and another 1,500 electrical motors were put out of commission. Highways and bridges were also washed out.

"Practically all of this damage was from flood and not covered by insurance" he wrote. "Our local association estimates there are probably 400 to 500 cars which were covered or partially covered by water which of course are insured under the material damage fire and theft policies."

He noted these claims were rapidly being processed and concluded that the flood was a real tragedy to Westfield and it will take some time and a lot of money before the city works out of it.

An agent in Easton, Pa., writes:

It is of interest to note that through the years floods do occur here. The

historically important flood occurred in 1903 when the river was 38 feet above normal. Because of the long lapse of years and the fact that this was the only known flood of great proportion in the community, ordinary prudence was not exercised in building and using property close to the river edge.

The principal river is the Delaware which was heavily loaded with waters from the Pocono watershed and similar areas in northern New Jersey. Easton is at the confluence of the Delaware and Lehigh rivers. The Lehigh also drains a large part of the Pocono watershed. In addition there is a sizable creek entering at Easton Bushkill creek.

One interesting fact in connection with this catastrophe is that there was considerable and timely warning of what would occur. For the most part, people just didn't pay attention. Obviously, if the warnings had been heeded, a tremendous amount of loss could have been prevented.

Insured losses occurred mostly in connection with inland marine floaters and automobile physical damage. This agency has been obliged pretty much to sidetrack routine work because of the demands made on it for losses of this character.

As everyone would expect, from certain quarters of the public there was a great deal of unreasonable abuse of the insurance business because there was no coverage for flood damage. "You told us when you insured us that we were covered for everything."

The writer was particularly impressed with his failure to solicit to the proper extent the purchase of valuable papers coverage. He wrote that it would be a great feather in an insurance man's cap if, at a time like this, merchants and industrialists, after suffering very great direct financial loss and then finding as so many did that their ordinary records were either destroyed or in such damaged condition as to demand replacement, could be told by the agent, "well, you know, while your other insurance does not cover flood damage, we are going to be able to pay you for the loss of your valuable papers."

A. I. Gross of Gross-Brown associated agencies Scranton, Pa., writes:

Scranton was placed under martial law on Aug. 19 at noon. Every business except those vital to flood assistance was closed until Aug. 24. Most of the entire area had no water until the afternoon of Aug. 23.

"We were very fortunate that no fire occurred during that time; otherwise, there could have been another major catastrophe due to the lack of fire fighting facilities."

The actual amount of loss sustained will run between \$25 and \$30 million. This figure includes Scranton and surrounding counties and damage to highways and bridges in addition to properties.

"I do not know of too many losses under floater type policies, although one of our insured who operates a manufacturing concern is being paid for the labor performed on garments he has been working on under a contract. He will be paid by the manufacturers garment contractors floater. The loss will run into many thousands of dollars. We have many automobile claims with most of them total losses. We have a loss to what extent I don't know, under a contractors equipment floater. We do not have too many losses under extended coverage or additional EC clauses. It appears that the greater percentage of losses occurred from flood damage."

Nail Traffic Safety Session Urges More Coordinated Efforts

The importance of integrating traffic safety programs was urged by several leaders at a workshop session during the Denver convention of National Assn. of Independent Insurers.

Steps have already been taken by member companies of NAI to evaluate activities of various organizations engaged in traffic safety promotion and to determine how the whole effort might be combined, dovetailed and strengthened.

Thomas C. Morrill of State Farm Mutual moderated the session.

Harry Pontious of Farm Bureau Mutual Auto of Columbus showed slides to illustrate that traffic safety activity has been successful. They showed that if in 1954 traffic deaths per million miles occurred at the same rate that prevailed in 1935, there would have been 90,000 deaths instead of 36,000; 3,151,000 injuries instead of 1,290,000, and 21,156,000 property damage accidents instead of 8,530,000. He said the incurred automobile losses of Farm Bureau Mutual would have been \$167 million instead of \$68 million. Mr. Morrill pointed out that the death rate per 100 million miles of travel has been reduced from 5.9 in 1935 to 6.4 in 1954 even though there were as many killed in 1954 as 1935.

He attributed the reduction to traffic safety programs of automotive and insurance organizations and said further gains can be expected through integration of the present programs.

A. E. Spottke of Allstate said an over-all master plan is needed to extract the maximum value from the various traffic safety measures. He noted that State Farm Mutual, Farm Bureau Mutual and Allstate undertook a joint project to survey the field and

reported back to the NAI committee. The report showed a need for public support organizations in every city and state, coordination and cooperation among all organizations concerned with traffic safety and harmonious work toward common objectives.

The joint committee of insurance and the motor car industry approached the task of evaluating the various safety organizations and steps are now under way to hold a second meeting in September. An agenda is being prepared for the committee, which will consist of the top men in insurance and automotive fields who will be in a position to make commitments on the spot.

The committee includes NAI, Assn. of Casualty & Surety Companies, American Mutual Alliance, General Motors, Ford, Chrysler and the independents.

C. K. Mercer of Indiana Farmers Mutual suggested that NAI might develop standardized releases and other traffic safety promotional material that can be disseminated and given grass roots propagation by the smaller member companies. Others on the panel were Edward Rockwell of Detroit Automobile Inter-Insurance Exchange and A. Grant Whitney of Belk Stores Insurance Reciprocal.

New York, Illinois Aero Corporations Are Merged

The Illinois corporation of Aero Associates has been merged with the New York corporation and the New York office of Aero Associates becomes the head office of all Aero operations. There are branches at Chicago, San Francisco, Los Angeles and Dallas.

There will be no change in operations, and Aero will continue to write aviation insurance only as underwriting managers for Zurich and Eagle Star through agents and brokers.

United Pacific Sells Home Office Building

United Pacific has sold its 16-story Medical Arts Building at Tacoma to a group of Seattle business men headed by Bertil A. Granberg and Harold L. Steiner. The sale price was understood to be \$1,900,000.

The building had been occupied in part by the company's home office since 1942. United Pacific has retained ownership of the five-story addition to the building in which its home office is now located. The addition will be known as the United Pacific Insurance Building.

Hawkeye-Security Names Two New Claims Managers

Hawkeye-Security has appointed new claim managers in Springfield, Ill., and Kansas City, Mo.

Herbert Taylor was named at Springfield succeeding Walter Hughes who was promoted to deputy manager of the claim department, and Lester Vandever, at Kansas City.

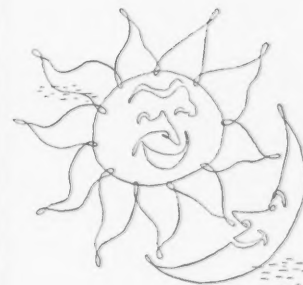
Mr. Taylor joined the company in 1946 as claim manager at Marion, Ill. Mr. Vandever joined the company this year following five years of claim work with General of Seattle.

State Farm Mutual to Build Mo. Office

State Farm Mutual has acquired a new branch office site in Columbia, Mo., at the intersection of U. S. 40 and Conley Lane. Construction will begin soon on the 11-acre tract and is expected to be completed within a year. When completed the new office will service Missouri policyholders which are now handled out of Springfield, Ill.



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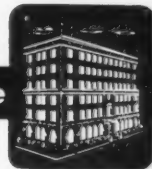
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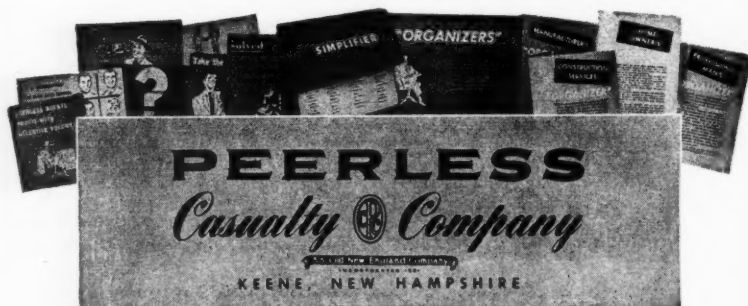
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ACCIDENT AND HEALTH

Faris Explains Cal. Life's Position on LWIU Welfare Fund

O. F. Faris, president of California Life, has written to clarify facts that were misleading in the interim report, and the press release concerning it, of the Senate subcommittee on welfare and pension funds. California Life now insures the welfare plan of Laundry Workers' International Union, AFL, but it did not do so at the time the alleged abuses in the administration of the fund took place, he pointed out.

In brief, he explained that the company, since it became the LWIU welfare plan insurer, had been commended by the union's social security department, the insured members of the union, and by the staff of investigators of the subcommittee.

He listed five advantages of the welfare plan as it is being handled by California Life—low premium cost, increased benefits without additional employer contribution, no commission payments to any insurance agency, efficient and economical claims processing, amounting to nearly \$1 million in 1954, and a retroactive rate credit of \$495,000 paid at the end of the first policy year in Sept. 1954.

He writes that Sen. Douglas of Illinois, chairman of the subcommittee, commended the company on the facts that no commission is being paid to an insurance agent, benefits have been increased, a large dividend was returned to the fund, and no administration fees of any kind are paid by the company to LWIU or any welfare representative. The company was also commended by the committee investigator for the manner in which it was administering the case.

Mr. Faris also points out that the business of the company is not limited to that of insuring the social security department of LWIU under a group contract. The company writes many lines of life, A&H and group, he said, and "implications of an unfavorable nature such as were contained in the subcommittee's report and the press release based thereon not only are unfair but are detrimental to any organization that operates in an ethical manner under the American free enterprise system."

Prudential Offers Life A&H Plan for Small Group

Prudential has designed a packaged employee security program for companies employing fewer than 25 persons that will be available in most states about Sept. 1.

Individual life insurance benefits under the program range from \$2,000 to \$5,000, hospital room and board benefits from \$8 to \$15 a day, and payments for loss of time due to sickness or accident, from \$20 to \$35 a week. Reimbursement for surgical fees will run up to \$300. Benefits also will include hospital expenses such as drugs and x-rays, doctors' calls in the hospital, and polio expenses.

Premiums can be paid monthly by the employer or by the employer and employee jointly. Hospital and surgical benefits are available for dependents.

New Dallas A&H Publication

Dallas Assn. of A&H Underwriters has begun publication of a bulletin for members. Ray Bacus of Union Bankers is the editor. The new paper is a monthly.

Mutual Benefit Has New Cover for Small Groups

A new "10-up group A&H plan," with optional loss of earnings benefits added and expanded provisions for miscellaneous hospital expenses has been introduced by Mutual Benefit H.&A. for firms with 10 to 24 employees.

The policy pays for both sickness and accidents when totally disabled for as long as 13 weeks. Plans of \$8, \$10 and \$12 for daily hospital room and board benefits are available. These benefits are paid for up to 31 days for each period of hospital confinement. Miscellaneous hospital expense benefits are paid according to actual expenses charged, instead of being allocated as to item, up to 20 times the room and board allowance plus 75% of the next \$1,000, and covers actual charges made by a hospital for emergency outpatient treatment rendered within 24 hours after an accident and for hospital charges in connection with an operation when not actually confined.

Surgical benefits according to a \$200 schedule are paid regardless of where the operation is performed. Maternity benefits are paid for as long as nine months after the insurance is terminated for pregnancies commencing prior to termination. The plan also includes benefits for doctor calls in the hospital. There is no medical examination if employees and dependents enroll during the waiting period or within 31 days afterwards. The employer must pay 25% of the employee's premium and may pay any portion over that amount.

Folsom to Resurvey Health Reinsurance

WASHINGTON—Secretary of Health, Education & Welfare Marion B. Folsom has said another look will be taken at legislation proposed by the administration and his department and at other legislation affecting the department, including the health reinsurance proposal and the House-passed social security bill.

Mr. Folsom said he has reached no conclusions on these matters. He said he could not ignore the social security bill, although it might not be included in a departmental program. Noting that health reinsurance has been considered by the 83rd and 84th Congresses, which did nothing about it, the secretary said his department will resurvey the situation. However, he said, no decision has been reached on a recommendation.

American Health Expands Group Cover

American Health of Baltimore is expanding its small group program by creating a new division for business firms with less than 25 employees. The plan is designed to meet local Blue Cross competition.

Clifford Eley will head the new division.

C. E. Miller Named A&H V-P of Mass. Bonding

Clarence E. Miller has been elected a vice-president and assistant secretary of Massachusetts Bonding. Mr. Miller, who has been with the company since 1915, will have jurisdiction over all divisions of the A&H department.

NEWS OF FIELD MEN

Changes in Field Made by N. Y. Underwriters

New York Underwriters has named Robert B. Maxwell western special agent at Chicago, George Venters state agent for southern Indiana and Lyman P. Collins state agent for West Virginia.

Mr. Maxwell, who has been state agent for southern Indiana for three years, will work with Executive Special Agent Charles R. Watkins. He has been in the field for the company for 12 years.

Mr. Venters, who succeeds Mr. Maxwell, will continue the headquarters at Indianapolis.

Mr. Collins, who has been special agent in Ohio since last year, replaces State Agent Richard C. Engels, transferred to the home office. He will make his headquarters at Wheeling.

North British Names Johnson Ind. Special

North British group has named James L. Johnson Jr. special agent in Indiana. He will work with State Agent Robert G. Barlow with headquarters at Indianapolis.

Since 1951 Mr. Johnson has been with Ohio Inspection Bureau as an inspector.

Austin Joins Wash. Agency

James K. Austin, who has been in the Missouri field for Royal-Liverpool group, has joined the Herb Wilson agency of Everett, Wash. Mr. Austin started his insurance career in the head office of Royal and later was at the U.S. head office before going into the field.

Campbell Is Appointed in Pa. by Agricultural

Agricultural and Empire State have named Frank W. Campbell Jr. of Harrisburg, Pa., as state agent in charge of that area, succeeding Stuart S. Smith, who was recalled to the home office to take charge of the companies' educational program.

Mr. Campbell formerly was a special agent in Pennsylvania for U.S.F.&G.

Phoenix, Conn. Moves Dissell to Ky. Field

Phoenix of Hartford group is transferring Special Agent James S. Dissell from Ohio to Kentucky Sept. 15. His headquarters will be with State Agent R. J. Martin at Louisville.

American Names Smith Northern Cal. Special

James R. Smith Jr. has been named special agent for the northern California and North Sacramento Valley field for American. His headquarters will be at Chico.

Mr. Smith formerly was a special agent in Arizona and southern Nevada of Phoenix of Hartford and Equitable F.&M.

West to Indianapolis for Royal-Liverpool

Royal-Liverpool has transferred Special Agent Carl L. West from Chicago to Indianapolis where he will assist State Agent William R. McBride. He has been with the group since 1954.

Miller, Massaro to Minn. for Springfield F. & M.

Robert H. Miller, state agent at Scotts Bluff, Neb., for Springfield F.&M., has been transferred to Minneapolis as state agent for northern Minnesota and part of the Twin Cities.

Special Agent Charles J. Massaro has also been named state agent at Minneapolis for southern Minnesota and the Twin Cities.

Hartford Fire Names Olson in Oregon Field

D. H. Olson, who has been in Hartford Fire's Pacific Coast inland marine department since 1948, has been appointed special agent in Portland, Ore.

Mr. Olson started with Hartford Fire in Chicago in 1941 and transferred to San Francisco in 1948. He has served in the inland marine, fire underwriting, marine loss, special risk and engineering departments.

Devio in N. Y. Field for Phoenix of London

Phoenix of London group has named Paul F. Devio special agent in New York state. Mr. Devio, who will work under William Streets, manager at Albany, formerly was a special agent in eastern New York for Providence Washington.

Name Robey to Cal. Field

David F. Robey, special agent for North British group in Arizona, has been transferred to Los Angeles as special agent for southern California. He succeeds O. N. Jones, who recently resigned.

To Elect New V-P in Wisconsin

Wisconsin Fire Underwriters Assn. will meet at Milwaukee Sept. 12 to elect a new vice-president to replace Howard Zibble, who has been promoted to the head office of Agricultural.

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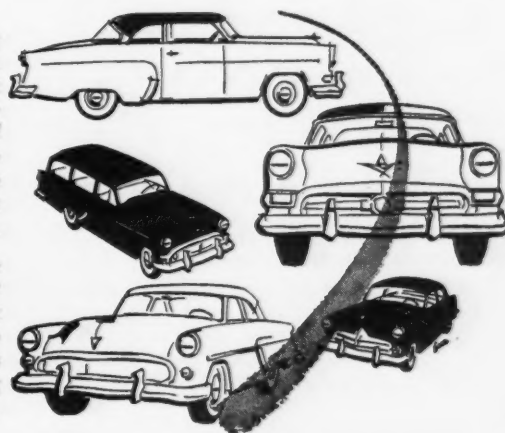
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FTC Jurisdiction Extends Where State Laws Fail

(CONTINUED FROM PAGE 2)

vented complications and duplication in law enforcement.

His third point was that state statutes regulating the business of insurance which fail substantially to cover the area encompassed by the FTC act do not preserve jurisdiction to such states in that area. Whether a state statute in fact regulates unfair acts and practices is determined by an appraisal of the state law. Such statutes need not reenact or parallel the federal law. There may be divergent patterns of regulation.

Point four of Mr. Knowlton's talk was that state regulatory statutes must provide for administrative enforcement in order for states to retain jurisdiction and exclude FTC. They must regulate unfair methods of competition and unfair acts or practices which must substantially cover the same ground that the FTC covers. To leave any of the ground uncovered would create a gap in the authority of the state and create an area, unless covered by some general statute, in which FTC might exercise jurisdiction. Any method of enforcement which gives the commissioner effective power to stop an unfair trade practice and prevent future violations would be adequate, he said.

His fifth point was that in enacting the proviso clause of section 2 (b) of the McCarran act, Congress intended that if the states enact legislation in a field subject to the FTC act in the absence of such legislation, then the state law would occupy the field to the exclusion of the federal statute. It was never intended that there should be concurrent jurisdiction between FTC and the several states.

Making this point, Mr. Knowlton said statements on the floor of the Senate in connection with the debate on the proviso clause not only refute the narrow theory of concurrent jurisdiction, but clearly support the construction that Congress intended that the states should occupy the area of regulation of the insurance business and that after the expiration of the moratorium provided by the McCarran act, the federal acts would apply only in those areas where the states had not taken appropriate legislative action.

Mr. Knowlton's sixth conclusion was that the trend of the legal decisions indicates that the states have authority to regulate the business of their domestic insurers even though such regulation may extend beyond the borders of the state of domicile, particularly over the activities of domestic insurers initiated within the state of domicile but completed outside that state and for the purpose of where they reside. A state may have a legitimate public interest in controlling and regulating the relationship of its insurer with the public of another state sufficient to support such regulation, he said.

He quoted the decision in *Osborn vs Ozlin* in which the court held "the mere fact that state action may have repercussions beyond state lines is of no judicial significance so long as the action is not within that domain which the Constitution forbids."

In *Hoopeston Canning Co. vs Cullen*, involving the validity of certain provisions of the New York insurance law applicable to foreign reciprocals affecting business activities carried on outside New York, the court said: "Neither New York nor Illinois loses the

power to protect the interests of its citizens because these associations carry on activities in both places. We think the regulations themselves, since they are aimed at the protection of the solvency of the reciprocals or at promoting the convenience with which New York residents may do their insurance business, are all within the scope of state power."

The limitations upon the power of the state to regulate interstate commerce which Congress intended to withhold from the states do not apply to the power, as well as the right, of a state to control all of the activities of a domestic corporation, whether within or without the state of its origin, Mr. Knowlton said. It has never been held by any court that a state is barred from controlling the operations of a domestic corporation with respect to activities carried on by the corporation outside of the home state because to do so the state would be regulating interstate commerce.

The power of a state over its domestic corporations is a very strong one under the police power, he said. The licensing power is particularly extensive in the case of a corporation clearly affected by public interest, such as an insurance company.

Finally, Mr. Knowlton said, the only area in which FTC has jurisdiction at present is where the home state of insurer does not have sufficient law to permit the regulation of unfair methods of competition and unfair acts or practices of domestic insurers.

Pacific Indemnity Assets Up

Total assets of Pacific Indemnity increased \$485,086 during the first six months of 1955 to a total of \$51,156,821.

Surplus to policyholders was \$18,844,902, an increase of \$1,314,392 during the six-months.

Net premiums written were \$12,913,850, a decrease of 5.4% from the \$13,652,240 written during the first six months of 1954. Net premiums earned amounted to \$12,641,446, compared with \$13,113,974 in the same period last year, a decrease of 3.6%.

The company had a net profit of \$776,028, or \$3.23 per share, compared with \$999,064, or \$4.16 per share for the first six months of 1954.

Winsborough Promoted

Morgan M. Winsborough has been named manager of burglary, fidelity and plate glass underwriting of Employers Mutuals of Wausau, succeeding the late Merle Parker. Mr. Winsborough has been with the group since 1938, in Chicago, New York and Dallas. Since early 1955, he has been underwriting manager at Kansas City.

Founders Shows Gains

Assets of Founders of Los Angeles as of June 30 totaled \$9,393,266 as compared to \$8,552,307, for a gain of \$840,959 for the first six months of the year.

Net premiums written totaled \$3,886,160, an increase of \$1,212,438. Premiums earned were \$3,332,000, an increase of \$613,000.

Unearned premium reserve was increased from \$3,268,916 to \$3,822,789 and surplus to policyholders at the end of the period totaled \$2,825,628, which is \$19,952 less than at the beginning of the year and \$340,773 greater than on June 30, 1954.

John Rogers and Tom York, who have been partners in an agency at San Antonio, have opened separate agencies in that city. Mr. Rogers will operate as John Rogers & Associates and Mr. York will operate as Tom York agency.

Things every Insurance Buyer should know—No. 78

Why an INDEPENDENT insurance man can serve you best

In insurance, as in many other fields, there is no monopoly on good ideas, good service, or good rates. One company may have developed a better policy for the homeowner in some areas. Another company may boast lower rates on certain forms of insurance. Still a third may be especially noted for prompt service.

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That in fact is a good reason for buying insurance only through an independent insurance agent or broker . . .

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- ✓ Because he's a professional insurance man, not just a salesman, he keeps up with new types of insurance coverage and makes certain your insurance is up to date.
- ✓ Because he is independent, you can count on him to assist you with your claim when you suffer a loss and to represent your interests to the fullest at all times.

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Don't Burn The House Down, Use Common Sense Prevention

In colonial days hostile Indians used to burn down homes. After subduing the Indians, the French and the British, Americans took over this chore for themselves, Paul W. Kearney writes in his book, *I Smell Smoke*, in which he tells the home dweller what to do in case of fire.

With nearly 470,000 residential fires a year, Mr. Kearney blames the builder for building fire traps. He doesn't mean a jerry-built shack when he calls the modern home a fire trap but the typical American home modest or pretentious, with its spacious wide-open interior built for comfort, convenience—and the rapid spread of fire.

The residents of the homes, however, can help prevent the fires from starting he says, and he suggests that they use the home fire safety check list published by National Board.

How to keep from being killed while in an upper floor above a fire, how to organize and prepare for home fire drills and how to starve a fire by use of materials such as nylon or dnyel which melt at high temperatures but do not propagate flame, are among the situations Mr. Kearney tells how to meet.

When a fire breaks out in the home he advises: bottle up the outbreak, if possible, by closing the room doors to confine it; then call the firemen before doing anything else. Size up the smoke and flame situation and decide whether to fight or run.

If the person wants to fight the fire himself, he suggests home methods from salt, bicarbonate of soda or a garden hose, to inexpensive fire extinguishers. In his own kitchen he keeps a small 2½ pound carbon dioxide type extinguisher in case of grease fires. If a grease fire occurs, he says, he knows he can extinguish the fire in the broiler and still eat the steaks without any risk.

Fires start in a number of ways, from smoking or in flash-burning materials and garments. He suggests methods of flameproofing clothing with simple home products. Tips are given on home cleaning, ways of avoiding spontaneous combustion, and the use of lightning conductor systems to prevent lightning-caused fires.

Simon & Schuster, New York City, published the book at \$3.

American-Associated Names Moore La. Bond Manager

Paul F. Moore has been named bond manager at American-Associated's New Orleans office. He succeeds Paul Liebezett, who has been transferred to Chicago.

Mr. Moore, started his insurance career as a bond special agent in Connecticut for Hartford Accident & Indemnity in 1946. He spent several years in the east as a fidelity and surety field man before being sent to Jackson, Miss., where he opened a service office for the company. In 1950 he was promoted to bond superintendent at Hartford's New Orleans office.

Cal. Premiums Nearly \$2 Billion

Direct premiums written in California in 1954 by all classes of insurers totaled \$1,911,135,152, according to the statutory report of Commissioner McConnell to Gov. Knight. The gain for the year was \$58,506,929.

Taylor Leaves Okla. Department

George R. Taylor, assistant Oklahoma commissioner since 1952, has resigned to go into private practice of law.

Mutual Benefit Names Gaule Regional Director

John S. Gaule has been named mid-west regional director for Mutual Benefit H.&A. with headquarters at Omaha. He will supervise sales and training methods for the company in that region.



John S. Gaule

Mr. Gaule joined the A&H sales training division in 1951 and was named assistant manager of the W. F. Haggerty agency at Syracuse, N. Y., in 1953. He has most recently been conducting sales management schools for company representatives in various sections of the country.

Ferguson Named V-P for Houston F.&C.

Charles W. Ferguson, vice-president and manager of the Pacific Coast department of Houston Fire & Casualty at Pasadena, Cal., has been transferred to the home office as vice-president in charge of underwriting. He is succeeded at Pasadena by Francis L. Speers.

Mr. Ferguson joined the company in 1944 as a special agent in Texas, was later assigned to the home office as a casualty underwriter and was named manager of the Pacific Coast department in 1949.

Mr. Speers began his insurance career in 1946 with the Roger E. Williams agency at Fort Worth, Tex., and later joined Millers National as an underwriter. He joined Houston F.&C. as a special agent in 1949, opened the company's Oakland branch in 1952 and was named head of the agency and field departments at Pasadena in 1954.

General Accident Shows Gain in Surplus

General Accident and its affiliate, Potomac, have reported substantial gains in assets and policyholders surplus for the first six months of 1955.

Assets for the group as of June 30 were \$165,894,549 for an increase of more than \$8 million over consolidated assets of \$157,824,238 at the end of 1954. Group policyholders surplus was \$64,009,984 as compared with \$57,484,541.

Net premiums written were up \$502,690 over the first six months of 1954 and increase in the unearned premium reserve was \$3,745,423. Underwriting and general expense ratio to net premiums written was 34.21% as compared with 34.7% for the 1954 calendar year.

The combined loss and loss adjusting expense ratio to premiums earned was 55.52% at mid-year as compared to 56.6% for 1954.

Net underwriting gain was \$2,692,320, a ratio of 6.96% to premiums earned which totaled \$38,677,522.

Two School Bonds in Cal.

LOS ANGELES—Crown Construction Co. of Los Angeles has been awarded a contract at its bid price of \$1,291,575 by Downey Union high school district for construction of Earl Warren high school in Downey. St. Paul-Mercury Indemnity is surety on the work.

H. B. Nicholson of Pasadena has been awarded the contract by Los Angeles city school district to construct north Wilmington high school at a price of \$2,211,000, with Hartford Accident as surety.

Standard Oil Loss May Be Second Only to GM Fire

(CONTINUED FROM PAGE 1)

tuals 8½%, Fire Association 3½%, and Fireman's Fund, Federal, American, Camden and a number of other American stock and mutual insurers are on for smaller amounts. Professional reinsurers are expected to get a portion of the loss through treaties.

Despard & Co. of New York is broker on the line, and Stewart, Smith also has a part of it, an 8% share which is placed in Associated International Insurance Companies, a group of foreign insurers affiliated with Stewart, Smith and including companies in England, France, Morocco, the Netherlands and Australia. The remainder of the business is in Lloyds, primarily, and other foreign companies.

The National Board has assigned catastrophe serial 63 to the Whiting loss and was considering opening a supervisory office at Whiting to handle losses outside of the refinery. This

however, will be unnecessary because Standard has set up its own claim office in Whiting and is handling settlement of all losses caused by the explosion and fire. The adjusters have been advised that Standard desires to settle these claims direct.

H. W. Rutledge, executive supervisor, and J. L. Sybrandt Jr., executive general adjuster of Western Adjustment, are on the scene as co-adjusters on the Standard Oil loss. B. P. L. Carden, general adjuster of the National Board, visited the loss scene Tuesday.

The Whiting refinery of Standard Oil is the largest in the midwest area and the fourth largest in the United States. At the time the original deductible insurance was written, some underwriters expressed concern over the concentration of risk.

The Standard Oil explosion recalls the loss in 1944 at Cleveland of East Ohio Gas Co. in which a tank of liquified illuminating gas blew up. In that loss the damage to property other than that of the gas company was extensive and many persons were killed. Eighty-two houses were destroyed, for example, whereas at Whiting it is thought that only about five or six homes are seriously wrecked. Western Adjustment handled the claims for East Ohio Gas Co., as contrasted with the Standard Oil procedure of handling everything on its own.

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Gulf Has Gains in First Six Months

Gulf and its affiliates, Atlantic and Select, in the combined annual statement show an increase in surplus and written premiums. Consolidated assets of \$41,774,781 June 30 are an increase of \$3,547,526 in the six months. Surplus was up \$2.3 million to a total of \$19,092,346. Unearned premium reserves were \$17,144,037, a gain of \$541,476.

Net premiums written in the first six months were \$9,707,544, an increase of \$787,576 as compared with the same period a year ago. Investment income was up \$82,959 to a total of \$550,968. Underwriting profit at \$401,473 was down approximately 50% compared with 1954. Storm losses in Illinois, Indiana, Ohio, Texas and Oklahoma in the spring helped bring up the loss ratio.

Higher Kemper Companies Posts for 3 at Los Angeles

G. R. Pahlman has been named manager at Los Angeles for the Kemper companies to succeed the late L. W. Van Aken, resident vice-president.

Broox C. Davis, underwriting manager, has been named assistant manager and L. B. Merrifield, former district manager, was named production manager to succeed Mr. Pahlman.

Tenn. Okays \$60,000 for New Fire Tower

Tennessee has appropriated \$60,000 for the construction of a fire tower at Middle Tennessee State College, Murfreesboro, for use of the Tennessee State Fire College. The latter has ended its 1955 annual firemen's training session with 160 attending.

Speakers included John F. Lee, manager of Tennessee Inspection Bureau; O. O. Lee, chief deputy fire marshal, Nashville, and Emmett Cox, field representative of Western Actuarial Bureau, Chicago.

The Rochester, N. Y., office of **Standard Accident** has been moved to 327 First Federal Savings Bank Building.

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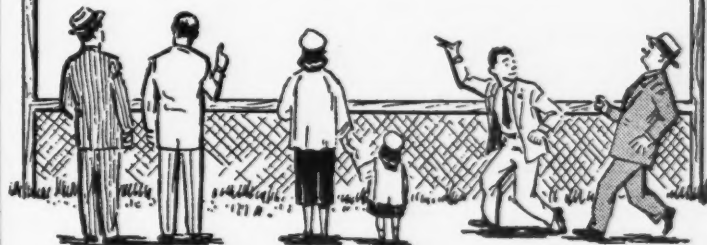
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Wants experienced Casualty Underwriter. 2 to 5 years experience. Call DU 1-3141, ask for Mr. Lemke or send resume to 3440 Wilshire Blvd., Los Angeles 5, California.

CASUALTY UNDERWRITER

Wanted by growing Iowa Multiple Line Mutual Company. Applicant must be under 35 with three to five years experience underwriting general liability, workmen's compensation and automobile. Must have background and ability to advance to management staff. Address G-72, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

FOR SALE

General Insurance Agency located in the heart of Michigan's Vacation Land. Michigan's largest inland lake. Population 5,000. Seasonal Population 40,000. Excellent School System. Churches of almost every denomination. Reason for selling poor health. If interested Reply to Box G-87, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED: SAFETY ENGINEER

WHO WANTS TO BE SMART ABOUT HIS FUTURE

Here is an unusual opportunity for a successful safety engineer to employ his technical knowledge in a larger, more profitable, creative field.

Applicant must have sound knowledge and solid experience in safety engineering, initiative, imagination and ability to meet the public, and be under age 38. He will be taught underwriting by one of the largest, most aggressively successful multiple line companies in the business, then assigned to public relations work among top management of large risks. Salary open but commensurate with ability.

Send fully detailed résumé of personal and business background. Replies confidential. Our staff knows of this ad. Address Box Number G-99, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Large Group to Attend Marine Meeting

A large group of U. S. insurance executive will be on hand at the annual conference of International Union of Marine Insurance at Monte Carlo Sept. 11-16.

Official delegates from American Institute of Marine Underwriters, a member organization, will be Owen E. Barker of Appleton & Cox, president; Percy Chubb of Chubb & Son, 1st vice-president, and Frank B. Zeller of Royal-Liverpool group, a past president. Others representing the AIMU will include Harold Jackson of William H. McGee & Co., a vice-chairman of IUMI; John T. Byrne of Talbot, Bird & Co., chairman of the IUMI committee for freedom of insurance; Leslie A. Ward of W. J. Roberts & Co.; George Inselman of Marine Office of America; L. J. Haefner of Fireman's Fund, and Carl E. McDowell of AIMU, who will act as secretary for the U. S. group.

Representing American Foreign Insurance Associations will be Frank A. Christensen of America Fore group, president; James O. Nichols, general manager; A. G. Muldoon, secretary, and A. I. Terhune, secretary.

John A. Diemand Jr. and Charles F. Littlepage of North America will also attend.

American International Underwriters' executives from Belgium who will attend are Tord Ringdahl, AIU Overseas Inc. resident vice-president in northern Europe; Neville Janion, AIU overseas marine manager for northern Europe, and William deWinter, managing director of AIU S. A. in Belgium; and G. Venturini Guerini, marine manager of the Antwerp office of AIU S. A.; from Italy, John J. Roberts, vice-president of AIU Mediterranean. Rome; G. Franchini, general manager of AIU Italy, S.A.R.L., both of Milan; from Spain, F. Reyes P. Aldave, Spain manager of New Hampshire Fire, Madrid.

Manufacturers Casualty Names Magarick Secretary

Manufacturers Casualty appointed Patrick Magarick as secretary in charge of the casualty claim department, with headquarters in Philadelphia. He has been with National Surety, as attorney in charge of casualty claims. Mr. Magarick is the author of a book, "Successful Handling of Casualty Claims," recently published by Prentice-Hall.

Trinity Universal Names R. H. Magnuson at Toledo

Trinity Universal has opened a new office in the Edward Lamb Building, Toledo, with R. H. Magnuson in charge. Mr. Magnuson is special agent in northwestern Ohio and was formerly with State Automobile Mutual of Columbus.

Moves to New Quarters

Fire Underwriters Assn. of the Pacific has moved to new quarters at 328 California Street in San Francisco. The new quarters provide larger library facilities for students. The association had formerly been housed with the Pacific Board.

SPECIAL FIELD REPRESENTATIVE

Wanted . . . Young man with some casualty insurance experience. To be trained as a Special Field Representative with a national insurance company. Reply in confidence with complete résumé and photograph.

Address:

DIRECTOR OF PERSONNEL
P. O. Box 1217
Richmond 9, Virginia

New Farm Rate Credit Plan Introduced in Minn.

(CONTINUED FROM PAGE 1) the new rating plan this will be discontinued.

While more work is expected of the agent, the tremendous change that can be wrought in the rate makes the effort profitable.

An explanation of the new plan will be given during a panel discussion during the convention of Minnesota

Reproduction of the survey form is on the opposite page. At the top is the front of the sheet, and the bottom gives the method of applying credits, showing the amount of fire and EC credit at the top of each column.

Assn. of Insurance Agents Sept. 19-20 at Rochester, and in October it is planned to have a series of regional meetings throughout the state in which there will be further discussions.

The new credits are as follows:

Fire EC
Dwelling and contents credits
For central heating plant with thermostatic controls. .02 ---
For continuous mortared masonry or concrete foundation under all exterior walls. .04 .06
For interior plumbing, including bath, supplied by water from a continuous reliable source. .04 ---
For electric wiring in accordance with state board of electrical inspection. .04 ---

Barns and outbuildings credits
For continuous mortared masonry or concrete foundation under all exterior walls. .06 .06
For all masonry walls and concrete floor. .06 .20
For building of all metal construction (must have no hay storage for fire credit). .08 .20
For building no more than one story high and having all floors concrete. .04 .10

For electric wiring in accordance with state board of electrical inspection. .06 ---
For barn without haymow (must be fully enclosed for extended coverage credits). .04 .10
For building entirely enclosed with no sheds or additions of open or part open construction. --- .20

Silo credits (fire only)

For continuous mortared masonry or concrete foundation under all exterior walls. .06 ---
For electric wiring in accordance with state board of electrical inspection. .06 ---
For all metal or incombustible construction. .08 ---
For all masonry construction and concrete floor. .06 ---

Credits are applicable to the extended coverage rates without the wind-storm and hail deductible clause. With the deductible clause reduce the dwelling credit one-third and reduce the barns and outbuilding total credit one-fifth.

Credits for term policies are subject to the usual term credit rules.

New Cal. Insurer

World American of Santa Barbara, a newly chartered insurer, has made application to the California department to sell 250,000 shares of its \$10 par value stock at a price of \$22 per share. World American plans to write liability, workmen's compensation and automobile lines. Elmer R. Barr is president.

Augusta Board of Fire & Casualty Agents has elected Adrain Cohen president, succeeding Henry M. North.

UNIFORM STANDARD

FORM NO. 66G
(Edition Aug. '55)

FARM SURVEY OF SPECIAL RATES

Name of Owner.....

Owner's Mailing Address.....

SPECIAL FARM CREDITS: These credits are applicable only to farm property as defined in the farm schedule.

LOCATION, DESCRIPTION AND CHARACTER OF FARM

Located about.....miles.....from town of.....on.....road

Sec.....Twp.....Range.....County of.....State of.....

(Additional Description).....

Acres in farm.....Acres under cultivation.....

Describe any grass, brush or forest fire exposure hazards.....

DIAGRAM OF ALL BUILDINGS ON FARM GIVING DIAGRAM NUMBER AND OCCUPANCY AND DISTANCES BETWEEN BUILDINGS. IF SPACE IS NOT SUFFICIENT TO INCLUDE ALL BUILDINGS ATTACH SEPARATE SHEET.

I, personally, or my employee.....inspected this property on.....DATE.....

and I present the above information and that on back hereof as authentic.

Dated.....Agency.....CITY OR TOWN AND STATE.....

Name of Insurance Company.....Agent's Signature.....Agent



Form No. 66G (8-55)

VERIFICATION OF SPECIAL RATES
— DWELLINGS —

DIAGRAM NO.	BUILDING	(a) THERMO-STAT CONTROLS FIRE 04	(b) CONT. MASONRY WALLS & CONG. FLOOR FIRE 04	(c) INSIDE PLUMBING FIRE 04	(d) ELECTRIC WIRING FIRE 04	MANUAL RATE	SPECIAL CREDITS	SPECIAL RATE
	DWELLING NO. 1	F	F	F	F	F	F	F
	DWELLING NO. 2	F	F	F	F	F	F	F
		F	F	F	F	F	F	F
		F	F	F	F	F	F	F
		F	F	F	F	F	F	F
		F	F	F	F	F	F	F

— BARN AND OUTBUILDINGS —

DIAGRAM NO.	BUILDING	(a) CONT. MASONRY WALLS & CONG. FLOOR FIRE 04	(b) ELECTRIC WIRING FIRE 04	(c) NO. OPEN SHEDS FIRE 04	(d) ALL METAL WALLS & CONG. FLOOR FIRE 04	(e) ONE STORY CONG. FLOOR FIRE 04	(f) NO. HAYMOWS (BARN) FIRE 04	(g) MASONRY WALLS & CONG. FLOOR FIRE 04	MANUAL RATE	SPECIAL CREDITS	SPECIAL RATE
	BARN	F	F	F	F	F	F	F	F	F	F
	BARN	F	F	F	F	F	F	F	F	F	F
	BARN	F	F	F	F	F	F	F	F	F	F
	BARN	F	F	F	F	F	F	F	F	F	F
	GRANARY	F	F	F	F	F	F	F	F	F	F
	CRIB	F	F	F	F	F	F	F	F	F	F
	SILLO	F	F	F	F	F	F	F	F	F	F
	HOGHOUSE	F	F	F	F	F	F	F	F	F	F
	IMPL. SHED	F	F	F	F	F	F	F	F	F	F
	GARAGE	F	F	F	F	F	F	F	F	F	F
	HENHOUSE	F	F	F	F	F	F	F	F	F	F

*NOTE: Credits under a, b-b¹, and g are cumulative and may all be deducted if and when applicable. Credits under c, d, e, and f are not cumulative with each other and only one of these credits may be applied in addition to those applicable under a, b, and g.

- Are foundations of masonry or concrete continuous under all exterior walls?
- Is all interior plumbing, both culinary and sanitary, including bath, a permanent piped system? If not, explain.
- Does all inside wiring meet requirements of the standard electric code?
- Name of Power Company supplying electricity.
- Date the attached Photographs were taken.



Form No. 66G (8-55)

Date

Signature of Applicant

For protection on the highway,
at work and at home



Experienced Underwriting
Prompt Claims Handling
Special Engineering Service

Home Office: Tulsa, Oklahoma

UNITED STATES CASUALTY COMPANY



HOME OFFICE

60 John Street

New York

DEATHS

(CONTINUED FROM PAGE 20)

Byrne went to St. Louis from New York City and founded his own agency, W. M. Lawton & Son, John A. Bruner and John Q. Day agencies in 1914 to form the present company. Mr. Byrne became the first president of the agency with the late Carl F. Lawton as vice-president and general manager. In 1938, Mr. Byrne was named chairman of the board but had not been very active in the business in recent years because of his ill-health and advanced age.

ALBERT J. ROBERTS, 59, A&H general agent for Old Line Life at Milwaukee, died there after an illness of several months. He started as a special agent in Aurora, Ill., in 1932.

BENJAMIN R. PRICE, 65, Mamaronck, N. Y., local agent for 25 years, died. At one time he worked in the claims department of Royal-Liverpool and was special agent in suburban New York for Frank & DuBois, brokerage firm. Mrs. Price, who has been with her husband in the agency for 19 years, will continue to operate the business. A son, Robert M. Price, is state agent at Milwaukee for Appleton & Cox.

WILLIAM J. HOULIHAN, 71, local agent of Tampa, Fla., died there. He was also chairman of Mutual Finance Co. and past president of Tampa Insurers Exchange.

ALLEN F. GODAT, 89, of New Orleans, who retired in 1944 as chief examiner of L&L&G, died in a Metairie, La., hospital. He joined the company in 1892 at New Orleans, later transferring to New York where he worked at the time of his retirement.

RICHARD G. LIND, 42, Allstate manager at Indianapolis, died there. He formerly had been assistant underwriting manager for the company at Chicago.

LEO P. McMEEL, 70, one of the organizers of Rocky Mountain Fire, died at Great Falls. He was vice-president and treasurer of the company, and had been with it since 1912.

EUCLIDE J. HERARD, treasurer of I. E. Irish agency, North Brookfield, Mass., died of injuries received in an automobile accident.

MARTIN A. HAUGE, 68, local agent at Des Moines, died of a heart ailment at his home there after a long illness. He had been in the business at Des Moines for 45 years.

THOMAS H. HALL, 83, retired president of General Accident of Canada and Scottish Canadian Assurance, died in Toronto. He started in insurance as a junior clerk. He was a past vice-president of Canadian Fire Underwriters Assn.

EDGAR WHITEMORE, 64, St. Louis insurance broker for many years, died of a heart attack in Detroit.

FREDERICK J. LEWIS, 76, retired Milwaukee agent, died at San Diego, Cal. He was former president of the George H. Russell Co. agency of Milwaukee and was prominent in association affairs for many years. He started with the Russell agency in 1913 as a policywriter, and advanced through the ranks to assistant treasurer, treasurer, vice-president and treasurer, and in 1929 became president.

Defending by Reinsurer Is Rare—and Rather Difficult for Defense Counsel

An analysis of the defense counsel for the reinsurer was given by Francis Kelly of Kemper group, Chicago, before Federation of Insurance Counsel at its annual meeting in Washington, D. C.

Except in rare or unusual situations, reinsurance companies do not engage defense counsel or participate in the actual trial of a negligence case, he said, but when the reinsurer does engage a defense attorney it is almost always a certainty that he has been given a difficult assignment.

Mr. Kelly said defense counsel may be retained by a reinsurance company shortly after the company receives timely notice of a potential claim in accordance with the terms of its treaty with the primary insurer.

This retainer might arise out of one or more of the following situations:

The account is new and a satisfactory working basis between the two companies has not been established.

The account or treaty may have been cancelled for various reasons, some of which may have created ill will between the companies with a resultant lessening of the high degree of cooperation required to obtain the best result.

The treaty may be with a newly organized or relatively small company inclined to retain inexperienced counsel because of underwriting or financial considerations.

A particular claim presents a probability of loss to the reinsurer many times that of the insurer. It is by no means rare for the reinsurer to have an exposure of perhaps \$95,000, \$195,000 or more over a retention on the part of the primary insurer of as little as \$5,000. When the reinsurer's exposure is so great its reinsurer may be involved. Many reinsurance companies reinsure their own exposures with other reinsurers over retentions of \$50,000, \$100,000 or higher.

The legal problems in the particular case may be so unusual as to require the services of a specialist for the problem at hand.

Then there is, he pointed out, the late reporting of a claim, often on the eve of or during a trial, which not only complicates the situations already listed but may create new problems of widely differing character.

Assuming that defense counsel has no other interest in the particular case, he will be requested to make a quick investigation of the situation and report to his principals as soon as is practicable with his recommendations and opinions. This means that he must get most of his facts and knowledge from representatives of the primary insurer or its attorneys, with whom he may be on poor or excellent terms. His first duty will be to analyze the entire situation in order to properly advise his client whether provisions of the treaty may have been violated by the late notice (most treaties obligate the insurer to promptly report cases that may involve the reinsurer.) If he is of

the opinion that there has been a violation, and he and the reinsurer agree upon that point, he may then be required to serve the primary insurer with a reservation of rights or a denial of liability.

Assuming, however, that there are valid reasons for the apparent lateness of the report and it is agreed that the case is covered, defense counsel for the reinsured must then give his client a pretty complete and yet concise report of the case. This report must set forth facts governing the question of liability, details as to injuries, his opinion of the capability of plaintiff's counsel, and the ability of defense counsel employed by insurer. Reinsurer's defense counsel must have knowledge of the way in which the jury panel in that particular jurisdiction has been determining cases, the ability and characteristics of the presiding judge and all the other intangibles that go to make up the feel and color of a case of this kind.

If, in his opinion, he feels that the issue of liability will be resolved against insurer, he must be prepared to recommend a settlement program, which if accepted, will be his responsibility to work out. As often occurs, this may be one of those cases in which the primary company and its representatives are confident of a successful result. Defense counsel's first task is to try to change that opinion. Frequently this is a difficult and, on occasion an impossible task. Assume again that that hurdle is successfully taken. Defense counsel must then agree upon settlement strategy with insurer and its attorneys. He may have to decide which one of the group should negotiate. Reinsurer's defense counsel must also decide whether the assistance of the judge will be required and, if necessary, secured. Mr. Kelly said it has been learned from experience that reinsurer's defense counsel on occasion has been able to deal with plaintiff's attorney more successfully than representatives of the insurer. The reverse is also true.

He pointed out that these are all questions that must be resolved primarily by the defense counsel for the reinsurer in carrying out his duty to his client. Along with these general situation, reinsurer's defense counsel will occasionally find that some branch of investigation has been overlooked. He must then see that that is covered by either the insurer or by himself with the approval of his client.

Reinsurer's counsel can be in a rather difficult position if he appears to second guess the insurer and its defense counsel—never a popular position to assume, yet necessary if counsel is to do his best for his client.

Should an irreconcilable difference of opinion as to the desirability of finishing trial arise, between insurer and reinsurer, reinsurer's counsel must determine whether the insurer is acting in good faith. He must quickly decide whether he can recommend that

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co.
135 S. LaSalle St., Chicago, Aug. 30, 1935

	Bid	Asked
Aetna Casualty	255	263
Aetna Fire	72 1/2	73 1/2
Aetna Life	233	238
Agricultural	39 1/2	41
American Auto	27 1/2	28 1/2
American (N.Y.)	33	34
American Motorists	19	20 1/2
American Surety	97	99
Boston	39	40 1/2
Camden Fire	28	29
Continental Casualty	123	125
Crum & Forster com.	72 1/2	75
Federal	37 1/2	38 1/2
Fire Association	35 1/2	37
Fireman's Fund	74	75 1/2
General (N.J.)	43 1/2	44 1/2
General Reinsurance	50	54
Glens Falls	77 1/2	79
Globe & Republic	22 1/2	23 1/2
Great American Fire	40 1/2	41
Hartford Fire	160	162
Hanover Fire	48 1/2	49 1/2
Home (N.Y.)	48 1/2	49 1/2
Ina. Co. of No. America	110 1/2	111 1/2
Maryland Casualty	40 1/2	41 1/2
Mass. Bonding	46	47
National Casualty	51	52
National Fire	96 1/2	98
National Union	47 1/2	48 1/2
New Amsterdam Cas.	54	55 1/2
New Hampshire	47 1/2	49 1/2
North River	43 1/2	44 1/2
Ohio Casualty	91	92 1/2
Phoenix Conn.	81 1/2	83
Prov. Wash.	26 1/2	27 1/2
St. Paul F. & M.	59 1/2	61
Security, Conn.	48	50
Springfield F. & M.	63	64
Standard Accident	89	71
Travelers	96	100
U.S.F. & G.	76 1/2	78
U.S. Fire	30	31 1/2

his client authorize him to serve notice on insurer that failure to settle must be considered a violation of the treaty. Most present day treaties contain arbitration clauses, and Mr. Kelly said he knew of at least one issue of this kind that has been referred to arbitration.

Several decades ago, the early reinsurance treaties invariably contained words such as "this is an honorable undertaking", or phraseology indicative of an almost family relationship between two insurance companies. Today, unfortunately, the average treaty omits or leaves unsaid anything so old fashioned. Although good faith is still an inherent part of a treaty or contract, he said he thought "we can, on occasion, lose sight of the thought, if it is not written out for all of us to read from time to time."

State Automobile Mutual of Columbus has amended its charter and will enter the fire field under the new multiple line law Sept. 6.

Highlights of the Week's News

Total disability defined as inability to continue regular work	Page 5
Directors approve Aetna Casualty and Automobile merger	Page 9
Farm Bureau group of Ohio takes on Nationwide title	Page 4
P. F. Kingsley named Pacific manager for Fireman's Fund	Page 4
North Carolina investigating reports of beach EC cancellation by insurers	Page 13
Fireman's Fund sets six-month record	Page 13
Only minor changes needed as New York DBL enters sixth year	Page 1
Compare field men of today with those of 40 years ago	Page 15
NAIL traffic safety session urges coordinated efforts	Page 23
Commissioner Knowlton of New Hampshire says FTC jurisdiction extends only where state laws fail	Page 2
Program given for mutual companies' meeting at St. Louis	Page 2
Insurers still assaying damage from New England floods	Page 2
Farm rate credit plan introduced in Minnesota	Page 1
Veterans Administration loses first step in appeal of benefit assignment case	Page 1
Colorado agents to meet with Rocky Mountain Territorial Conference	Page 1
Standard Oil loss may be second only to General Motors	Page 1

First Six Months' Results Shown

	Assets June 30	Surplus June 30	Increase of Surplus Since Dec. 31, 1934	Premiums Written First Six Months 1935	Premiums Written First Six Months 1934
Atlantic Mutual	59,456,910	27,693,981	3,043,123	11,630,418	11,470,344
Hanover Fire	64,606,025	28,894,567	5,642,078	13,073,871	12,795,689
Pacific Indemnity	51,156,821	18,884,902	1,314,392	12,913,850	13,652,240
Phoenix Indemnity	24,399,416	8,001,686	605,733	7,259,149	7,270,271
Providence Washington	44,371,445	13,728,461	947,148	11,483,474	11,645,813
Swiss Reinsurance	77,643,962	25,842,201	2,873,963	14,631,312	6,519,993
Utica Mutual	56,637,880	11,680,007	883,280	14,957,634	14,646,420

& Co.
1955
Asked
263
73½
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34
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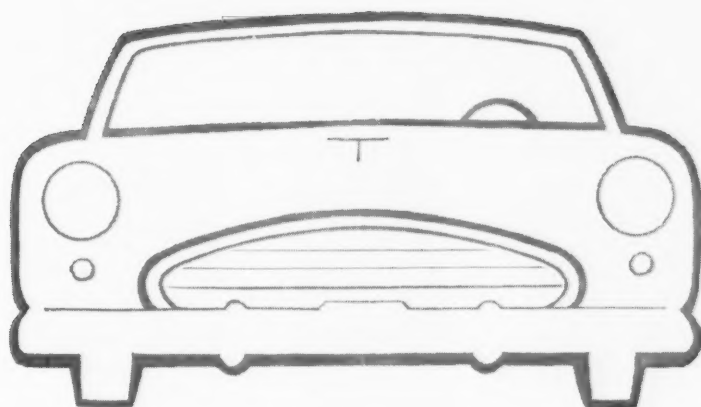
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in Automobiles

THE BEST VALUE SELLS



The buyer has wide choice—in automobiles, shoes, fountain pens, TV sets. The same buyer is looking at insurance harder—for broader protection, greater service, bigger value. Once the agent needed a policy, now he needs a combination of values. North America provides the combination you can sell—Coverage that's flexible; Strength that's dependable; Claim handling that's prompt; Service in many ways. Many values, one supplier—NORTH AMERICA.

NORTH AMERICA COMPANIES

PHILADELPHIA 1, PA.

Insurance Company of North America

Indemnity Insurance Company of North America

Philadelphia Fire and Marine Insurance Company



Protect what you have ©

New Ætna

A.I.D.



**makes an instant hit with
agents and policyholders**

* A.I.D. (Accidental Injury or Death Coverage) is a pioneer development of the Ætna Casualty and Surety Company, and an important plus value for Ætna automobile liability insurance policyholders.

It provides fixed benefits for death or specified injuries sustained in practically any kind of automobile accident by the insured or eligible members of his family. And the cost is extremely low. For coverage with \$10,000 maximum benefits, the annual premium is only \$6.00 for the first insured and \$4.00 for others. For \$5,000 maximum benefits, the premiums are half as much.

With its low cost and broad protection, A.I.D. is an exceptional insurance value, and its success has been immediate wherever it has been introduced.

Currently A. I. D. is available in practically every state. For full information on this attractive new Aetna coverage, contact our nearest office or write direct . . .



SALES AIDS FOR A. I. D.

To help Ætna agents take full advantage of A.I.D. and be the first to offer this valuable new coverage to their policyholders, we have prepared a variety of hard-hitting sales aids including the colorful reply-card folder shown at left and the newspaper advertisements below.



ÆTNA CASUALTY AND SURETY COMPANY

The Ætna Life Affiliated Companies write practically every form of insurance and bonding protection

LIFE AND CASUALTY

Ætna Life Insurance Company
Ætna Casualty and Surety Company

FIRE AND MARINE

Automobile Insurance Company
Standard Fire Insurance Company

Hartford 15, Connecticut